

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixty-third day of the One Hundred Seventh Legislature, First Session. Our chaplain for today is Senator Geist. Please rise.

GEIST: Let's pray. Father, we come to you this morning thankfully-- thankful that you love us, that we're your children and asking for your help, for your support. Lord, help us to be unified. Help us to think before we speak and help us to be a good representation of you as we deal with our colleagues, as we deal with our district. Bless us this day and help us to see each other as you see us. In your name, Amen.

HILGERS: Thank you, Senator Geist. Senator Moser, you're recognized for the Pledge of Allegiance.

MOSER: Please join me. I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

HILGERS: Thank you, Senator Moser. I call to order the sixty-third day of the One Hundred Seventh Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: I have a quorum present, Mr. President.

HILGERS: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections this morning.

HILGERS: Thank you. Are there any messages, reports or announcements?

CLERK: Mr. President, Enrollment and Review reports LB247, LB320, LB320A, LB338, LB423, LB423A, LB497, LB501, LB507, LB527, LB527A, LB639, LB650, LB650A, LB664, LB664A, all reported correctly engrossed. Enrollment and Review also reports LB108, LB108A, and LB428 to Select File with Enrollment and Review amendments. Communication from the Governor: Engrossed Legislative Bills: LB5, LB41, LB70, LB70A, LB78, LB405, LB461 were received in my office April 12. These bills were signed and delivered to Secretary of State on April 16. Sincerely, Pete Ricketts, Governor. Attorney General's Opinion: one to Senator Halloran (LB572), and one to Senator Hunt. Both will be inserted in the Legislative Journal. And I have Explanation of Votes from Senator Blood and Day. That's all that I have, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Thank you, Mr. Clerk. Senator Geist would like to recognize Dr. Sean C. Flor of Lincoln Family Medicine Residency who is serving as our family physician of the day. Dr. Flor is seated under the north balcony. Please rise and be recognized by your Nebraska Legislature. While the Legislature, Legislature is in session, session and capable of transacting business, I propose to sign and do hereby sign the following LR's: LR87, LR88, LR89, LR90, LR91, LR92, LR93, and LR94. Turning to the agenda, General File appropriations bill. Mr. Clerk.

CLERK: Mr. President, LB271A by Senator Morfeld. It's a bill for an act to appropriate funds to implement LB271.

HILGERS: Senator Morfeld, you are recognized to open on LB271A.

MORFELD: Thank you, Mr. Speaker. Colleagues, this is a trailing A bill to LB271. As noted in floor debate, it'll cost about \$100,000 to reprogram the DMV systems. The county of Lancaster-- or excuse me, Lancaster County has agreed to cover these costs. That being said, the DMV still needs authorization from the State Legislature to be able to expend this \$100,000 in programming costs. Thank you, Mr. President.

HILGERS: Thank you, Senator Morfeld. Debate is now open on LB271A. Seeing no one in the queue, Senator Morfeld, you're recognized to close. Senator Morfeld waives closing. The question before the body is the advancement of LB271A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 39 ayes, 0 nays on the advancement of LB271A.

HILGERS: LB271A advances. Turning to 2021 consent calendar. First bill, Mr. Clerk.

CLERK: LB57 by Senator Lathrop. It's a bill for an act relating to the Nebraska Evidence Rules; provides a hearsay exception for present sense impressions. Introduced on January 7, referred to the Judiciary Committee, advanced to General File. I have no amendments to the bill, Mr. President.

HILGERS: Senator Lathrop, you're recognized to open on LB57.

LATHROP: Thank you, Mr. President. Good morning, colleagues. I hope you had a good long weekend. LB57 makes a simple change to the Nebraska rules of evidence regarding hearsay rules. I'd like to thank the Speaker for making it a Speaker priority bill. The bill was heard on January 29 and came out of the committee on a 6-0 vote with one

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

member absent and one abstaining. LB57 adds a new exception to the hearsay rule exception to mirror the federal rules of evidence. Hearsay is an out-of-court statement offered to prove the truth of the matter asserted. Said another way, hearsay is evidence based, not on a witness's personal knowledge, but on another statement not made under oath. The exception today for your consideration would allow a statement describing an event immediately after the person observed the event as admissible. This change will not benefit one party over the other, such as prosecutors, plaintiffs, defendants, and will-- all will make use of the added exception. This exception brings Nebraska in-- it will make Nebraska's rules of evidence reflect the federal rules of evidence for which there are a great body of law interpreting exceptions to the hearsay rule. I think it's an appropriate addition to the exceptions to hearsay. At the hearing, Professor Mangrum from Creighton University Law School, happened to be my evidence professor, came in and testified in support of the bill and satisfied the committee that the amendment makes sense and would be beneficial to the practicing trial bar. And with that, I would encourage your support of LB57. Thank you.

HILGERS: Thank you, Senator Lathrop. Debate is now open on LB57. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. Speaker. Good morning. I was wondering if Senator Lathrop would yield to a question or two?

HILGERS: Senator Lathrop, will you yield?

LATHROP: Yes, I will.

ERDMAN: Senator Lathrop, I was trying to listen to what you said. Did you say that this won't benefit either party?

LATHROP: That's true. It's not sort of a pro-plaintiff or a pro-prosecutor or a pro-defendant. It is simply a recognized exception that we will adopt and it's not going to be beneficial to one group or another.

ERDMAN: So, so then help me understand why we need to do this then.

LATHROP: Great question. So generally, our rules of evidence and most states' rules of evidence are modeled after the federal rules of evidence. When Nebraska adopted the rules of evidence, we did not adopt this exception. And there is no explanation for why that's not the case. It, it is sort of a cousin to the excited utterance, also an exception to hearsay, but it is also a recognized exception to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

hearsay. We just didn't adopt it when we adopted our rules of evidence. And it, it can be useful in some cases where excited utterance would not be applicable.

ERDMAN: OK, so then the statement that it's not helpful to anybody may not be correct?

LATHROP: Well, it's not that it's not helpful to anybody. I just want you to know that it doesn't weigh-- like this isn't something that prosecutors are going to use more than defense lawyers or insurance companies won't use more than plaintiffs. It will be beneficial where appropriate, but it is not something that has a, a built-in advantage for one group that litigates versus another.

ERDMAN: OK, so it could be a value to somebody trying to decide what the exact cause or case, case is. Would that be true?

LATHROP: It could be useful. If someone has described an event while it was taking place and one-- and someone wanted to offer that testimony into evidence, then it would be important because that may or may not qualify as an excited utterance, an excited utterance requiring--

ERDMAN: OK.

LATHROP: --sort of being under the stress of the moment.

ERDMAN: Isn't, isn't hearsay something that someone else has told you, you're not-- you didn't necessarily see it yourself?

LATHROP: That's true. So somebody-- and, and hearsay, we exclude hearsay. We start out by excluding hearsay. And then we have a large number of exceptions. Those exceptions are based upon judicially recognized-- they have some, some-- something inherent in the exception that makes it trustworthy hearsay.

ERDMAN: OK. OK, well, as you know, I'm, I'm a farmer. I'm trying to understand how lawyers think, but I appreciate your explanation. Thank you.

LATHROP: Good luck with that, Senator.

ERDMAN: Yeah, thank you.

HILGERS: Thank you, Senator Lathrop and Senator Erdman. Senator Moser, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

MOSEER: I have some kind of parallel questions to what Senator Erdman asked. I was wondering if Senator Lathrop would respond to a question or two?

HILGERS: Senator Lathrop, would you yield?

ERDMAN: Yes, I will.

MOSEER: So I'm just a layman and I'm trying to follow the discussion. And typically, if I testify that I heard somebody else say that somebody else committed a crime, that's hearsay unless there's some other evidence to back that up. Would that be true?

LATHROP: If, if you heard someone say something and then you came into court to testify about what you heard someone say, that would be hearsay. And it would be--

MOSEER: And generally that's not admissible?

LATHROP: Generally, it's not admissible unless it falls within one of several exceptions to hearsay.

MOSEER: So you have to be an actual party to the discussion--

LATHROP: Well--

MOSEER: --in order to enter it into evidence?

LATHROP: Generally, generally, what we want in a courtroom are people that saw or perceived an event. So if there's a car accident, you want the witnesses coming in, right?

MOSEER: Yeah.

LATHROP: If someone is describing a car accident unfolding in front of them, that would be-- that would fall within this exception. They're describing something as they observe it or immediately afterwards.

MOSEER: So they're recording this or what?

LATHROP: Not, not necessarily recording it. But if, if you heard me say that guy just ran a stop sign, then you would-- this would be-- this exception would allow you to come into court and say, I was sitting in the car with Lathrop, I didn't see it, but he was sitting right there. We were at the same intersection where this happened and Lathrop said the guy just ran a stop sign.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

MOSER: So this change that we're contemplating here relaxes or I don't know if that's the right word, but gives another exception to admission of hearsay evidence?

LATHROP: It does. It does. And the reason it's in the federal rules and why most states have adopted it is because it has features that make it trustworthy. The only exceptions to hearsay are those that, that are judicially recognized over many, many court cases as trustworthy hearsay.

MOSER: OK, so it-- you think it furthers the cause of justice?

LATHROP: I do.

MOSER: OK, thank you.

LATHROP: Happy--

HILGERS: Thank you, Senator Lathrop and Senator Moser. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. And good morning, colleagues. I just wanted to rise quickly and voice my support for LB57. If you look at the committee statement, I was unable to be at that particular Executive Session, but I do support LB57. This expansion of hearsay is-- it's in place in all 49 other states and the federal rules. So Nebraska is the only state in the country that does not have this expansion of the hearsay exception. So I do rise in support of LB57 and would encourage a green vote on it.

HILGERS: Thank you, Senator Slama. Seeing no one else in the queue, Senator Lathrop, you're recognized to close. Senator Lathrop waives closing. Question before the body is the advancement of LB57 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 43 ayes, 0 nays on the advancement of the bill.

HILGERS: LB57 advances. Next bill.

CLERK: LB275. It's a bill introduced by Senator Brewer. It's a bill for an act relating to the Semiquincentennial Commission; to create a commission and provide duties for the commission relating to the United States Semiquincentennial. Bill was introduced on January 12, referred to the Government Committee, advanced to General File. There are committee amendments, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Senator Brewer, you're recognized to open on LB275.

BREWER: Thank you, Mr. President. Good morning, colleagues. LB275 will serve as Nebraska's official response to a call to celebrate the 250th anniversary of the United States as marked by the Declaration of Independence in 1776. With this legislation, Nebraska will join at least 11 other states who have created similar frameworks either through legislation or executive order. These states include Kentucky, Michigan, New Jersey, North Carolina, Pennsylvania, Virginia, South Carolina, and Tennessee. Also, at least seven other legislatures in addition to Nebraska are considering similar proposals. Again, this is for the Semiquincentennial Commission and we-- and they encourage all states to participate. In 1972, the Legislature established the Nebraska American Revolution Bicentennial Commission to commemorate and celebrate the 200th anniversary of the American Revolution and the founding of the United States. Like that bill, LB275 creates a board of 17 members appointed by the Governor to serve in a limited-time capacity and assist with the execution of the commemorative events related to the semiquincentennial of the United States. The makeup of this commission, as outlined on pages 2 and 3 of the bill, was created through meetings with the Governor's Policy and Research Office and based on the composition of Nebraska's 150th commission. This includes representatives from tourism, economic development, education, humanities, and representatives from groups that are essential in telling the history of Nebraska and the United States from groups of Native Americans, American Latinos, and African-Americans. The members of this commission will receive reimbursement for their expenses that are provided in Sections 81-1174, 1177. The State Historical Society, better known as History Nebraska, will provide administrative and budgetary support and will serve as the chair of the commission. As you can see from the bill's fiscal note, History Nebraska indicates that they are able to provide this support with cash funds and donations. Trevor Jones, executive director and CEO of History Nebraska, is ready, willing, and able to coordinate and spearhead the state's effort. Some of you may wonder why we are discussing an event that will not occur for another five years. The truth is the federal and state planning for the U.S. 250th celebration in 2026 is already underway. Even as recent as December, the states have received information from the federal U.S. 250th commission to assist states in planning and coordinating the celebration. As I previously stated, eight other states have already created similar commissions, many through legislation, as we are attempting to do with LB275. Ensuring Nebraska has the infrastructure in place to plan and execute a high-quality event and programming that will position our state to receive federal funds for such activities are part of why we're doing

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

LB275. LB275 places Nebraska on the forefront of states in terms of planning and honoring this important milestone in our history. We look back to history of similar commissions, the timing in this event is in line with previous commissions. With this, I would ask for your support on LB275. Thank you, Mr. President.

HILGERS: Thank you, Senator Brewer. As the Clerk noted, there are committee amendments. Senator Brewer, as Chair of the Government Affairs Committee, you're recognized to open on AM187.

BREWER: Thank you, Mr. President. The Government, Military and Veterans Affairs Committee held a public hearing on LB275 on 3 February 2021. History Nebraska testified in support. There was no opposition. The committee advanced it to General File with AM187 and a 8-0 vote. The committee amendment makes a few technical changes to the bill to make sure it works as intended. We create a new cash fund for any money received for the purpose. We change up the composition of the temporary commission as-- that we have created. And finally, we make it clear that the commission members are volunteers and they will get no compensation except for expenses. I would ask you to vote green on AM303 [SIC] and green on LB275. Thank you, Mr. President.

HILGERS: Thank you, Senator Brewer. Debate is now open on AM187. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Thank you, Mr. Speaker. I want-- I rise to thank Senator Brewer for bringing this bill. I think it's highly important. You know, we live in interesting times for a number of reasons. But one of the reasons is that we're going to hopefully live through the semiquincentennial of our country. We've already lived through the sesquicentennial of our state. We're learning all sorts of good new words and we have to say them well enough to let them roll off our tongues. And I just want to thank Senator Brewer and History Nebraska for working to bring this. You know, it's, it's a nationwide plan to get all the states involved. And we want to make sure that Nebraska is right up in front shining and celebrating this great celebration of our nation, celebrating the diversity that is, that is discussed in the bill, working to promote underrepresented groups, including but not limited to women, our first people, and persons of color. So I just wanted to stand up and say I'm excited about the planning and the parties ahead. And thank Senator Brewer, thank you for bringing this bill. And please support both AM187 and LB275. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Pansing Brooks. Seeing no one else in the queue, Senator Brewer, you're recognized to close. Senator Brewer waives closing. Question before the body is the adoption of AM187. All

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 46 ayes, 0 nays on adoption of committee amendments.

HILGERS: Committee amendments are adopted. Turning to debate on LB275. Seeing no one in the queue, Senator Brewer, you're recognized to close. Senator Brewer waives closing. Question before the body is the advancement of, of LB275 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 46 ayes, 0 nays on the advancement of the bill.

HILGERS: LB275 is advanced. Next bill.

CLERK: LB275A is a bill by Senator Brewer. It appropriates funds to implement LB275.

HILGERS: Senator Brewer, you're recognized to open on LB275A.

BREWER: Thank you, Mr. President. Well, hopefully this is an A bill that everyone will agree with. This A bill just authorizes \$20,000 to flow from a new cash fund that we are creating to History Nebraska. Just as a reminder, we're taking money-- we're talking about money that has been received from grants and donations. This does not move any General Fund money. Thank you, Mr. President.

HILGERS: Thank you, Senator Brewer. Debate is now open on LB275A. Seeing no one in the queue, Senator Brewer, you're recognized to close. Senator Brewer waives closing. Question before the body is the advancement of LB275A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 45 ayes, 0 nays on the advancement of the bill, Mr. President.

HILGERS: LB275A is advanced. Next bill.

CLERK: LB355 is a bill by Senator Lathrop relating to courts; changes provisions relating to bonds of county judges and clerk magistrates, service of process in replevin actions, forms in Small Claims Court, preservation of records in adoption proceedings, and deposits in eminent domain actions. Introduced on January 13, referred to the Judiciary Committee. The bill was advanced to General File. I have no amendments to the bill, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Senator Lathrop, you're recognized to open on LB355.

LATHROP: Thank you, Mr. President and colleagues. Once again, I'd like to thank the Speaker for making LB355 a Speaker priority. This is a bill from the court administrator's office and is literally a cleanup bill to make five changes to various statutes to remove unnecessary or add clarifying language. The bill was heard on February 25 and came out of the Judiciary Committee on a 8-0 vote. The five items included in LB355 are as follows: One, removes reference to county payment of bonds for county judges and magistrates, as these are paid by the state. Two, requiring the service of summons and replevin action to be returned within three days after issuance. Three, removing some language regarding Small Claims Court forms to further efforts on electronic filing. Four, removing a reference to microfilm adoption records and instead refer to current record retention statutes. And finally, removes a reference to deposits and condemnation cases. I would urge your green vote on LB57 [SIC] and will try to answer any questions you might have. Thank you.

HILGERS: Thank you for your opening, Senator Lathrop. Debate is now open on LB355. Seeing no one in the queue, Senator Lathrop, you're recognized to close. Senator Lathrop waives closing. Question before the body is, is the advancement of LB355 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 43 ayes, 0 nays on the advancement of the bill.

HILGERS: LB355 is advanced. Next bill, Mr. Clerk.

CLERK: LB261 is a bill by Senator Linehan. It's a bill for an act relating to veterans. It changes provisions relating to procuring and furnishing markers for the graves of certain veterans. Introduced on January 11, referred to the Government Committee, advanced to General File. I have no amendments to the bill, Mr. President.

HILGERS: Senator Linehan, you're recognized to open on LB261.

LINEHAN: Good morning, Mr. Speaker, and good morning, colleagues. I'd like to thank the Speaker for having LB261 as a priority bill-- Speaker priority. LB261 is a bill that will provide metal grave markers to veterans if they served their country in active duty armed forces of the United States, reserve forces of the United States, served in the Nebraska National Guard in active duty federal service, or served in the Nebraska National Guard on or after July 1, 1973. The metal grave markers are given in appreciation for our veterans'

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

service to their state and nation. This bill is important because I want to right a wrong that has happened to a Nebraska family. Allison Heimes, my 2020 opponent for Legislature, talked about her brother, Matthew Myers, when campaigning. Matthew was a young man who honorably served his country as a member of the Missouri National Guard. Matthew was deployed several times when the Guard was activated by the Missouri governor. He received, he received awards for his service, but sadly ended his life in 2017. He is buried in Lincoln, Nebraska. When Allison and her mother asked for a grave marker for Matthew, they were told he did not qualify to receive one. I believe veterans who honorably served should receive recognition of their service and that is why I introduced LB261. There are currently 31 cosponsors of this bill. The Government Committee advanced the bill, LB261, to General File on an 8-0 vote. There was no opposition at the hearing and there's no fiscal impact to the state. Thank you very much for your consideration.

HILGERS: Thank you, Senator Linehan. Debate is now open on LB261. Seeing no one in the queue, Senator Linehan, you're recognized to close. Senator Linehan waives closing. Question before the body is the advancement of LB261 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 43 ayes, 0 nays, Mr. President, on the advancement of LB261.

HILGERS: LB261 is advanced. Next bill.

CLERK: LB669 was a bill introduced by Senator Vargas. It's a bill for an act relating to postsecondary education. It adopts the Veteran Promise Act. Introduced on January 20, referred to the Education Committee. The bill was advanced to General File. There are committee amendments pending, Mr. President.

HILGERS: Senator Vargas, you're recognized to open on LB669.

VARGAS: Thank you very much, Speaker. Good morning, colleagues. First, I'd like to thank Speaker Hilgers for putting this LB669 on the consent calendar as Speaker priority. I'd also like to thank Chair Lynne Walz, the Chair of the Education Committee, and the members of the Education Committee for voting this bill out 8-0 unanimously with no dissenting votes. This bill had no opposition testimony, no opposition written testimony, has no fiscal impact. The idea for LB669 actually came from conversations with a friend of mine, Jared Lyon, the president of the Student Veterans of America. And that we talked about how impactful and successful this policy has been in Michigan at

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

Grand Valley State University for veterans. One of the hurdles that veterans have to overcome when they are exiting uniformed service is, is transitioning into civilian life. Many veterans go back to school either for the first time for an associate's or bachelor's degree or for higher professional education like a graduate degree. LB669 would make this one step easier for them. And again, show them and our country that Nebraska welcomes our veterans and their families. Essentially, LB669 would automatically grant admission of any member of any branch of the armed services to any public postsecondary institution in Nebraska. Now this is a little also special for me, and some of you don't know this, my oldest brother, Gene, he's about 13 years older than me, served our country in the United States Navy. If bills like this had been around, I would be certain that my brother would have been able to seek postsecondary education in the manner with which would make it easier for him to transition back into civilian life. Now it was also brought to my attention in the last couple of weeks of the Trump administration that there were some changes in federal policy that require our state statutes to be amended and realigned. AM467, which Chairwoman Walz will, will talk about, takes care of this. Now on January 5, former President Trump signed the Veterans Health Care and Benefits Improvement Act of 2020 into law. This new law enhances and expands education benefits for veterans and service members. One of the changes in this law aligns very closely with the subject and intent of this bill, which is to make Nebraska a welcoming home for military service members, veterans, and their families, including making postsecondary education attainable and easily accessible. Beginning on August 1 of this year, Section 1005 of this federal legislation removes the requirement for covered individuals to enroll in a course at a public institution of higher learning within three years of being discharged to receive in-state tuition. Essentially, we're waiving that requirement. They'll immediately be eligible for in-state tuition. Our current state law in Nebraska Revised Statute 85-502 was amended by our former colleague, Senator Sue Crawford, in 2019 with LB122. That legislation put into effect the three-year time limit for veterans that now needs to be removed due to the change in federal law. Once again, AM467 also takes care of this. LB669 is a simple bill that will demonstrate to these veterans that Nebraska welcomes them and their families by making postsecondary education more accessible. LB69 [SIC], again, has no fiscal note, was voted out of Education Committee unanimously, and is a good bill that will make sure that we are honoring our veterans. With that, I'd be happy to answer any questions and thank you and please vote green on the underlying amendment and LB669. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Thank you, Senator Vargas. As, as the Clerk noted, there are committee amendments. Senator Walz, as Chair of the Education Committee, you're recognized to open on AM467.

WALZ: Thank you, Mr. President, and good morning colleagues. AM467 is a white copy amendment that replaces the bill. All provisions of the bill are the same except as follows. We expanded the definitions of eligible military student and eligible veteran student by removing the requirement to be enlisted prior to December 31, 2022, and applying eligibility to all those who have graduated from a Nebraska high school on or before January 1, 2021. An eligible veteran student is also expanded to those who have signed enlisted papers and graduated from a high school in another state on or before-- on or after January 1, 2022. The amendment removes the definition of the commission under this act. It requires additional admission requirements to be met by both eligible military and veteran students set forth by a postsecondary institution. In addition, they are subject to a capped enrollment. Section 4 was amended to remove the requirement for the Coordinating Commission for Postsecondary Education to administer this act. It also adds the requirement that each public, public postsecondary institution make information about this act available on their website and submit an annual report to the Clerk of the Legislature. Section 5 is replaced with language to ensure this act is carried out in agreement with federal law. And finally, this amends 85-502 to remove the requirement for a veteran to enroll in a course at a public institution of higher learning within three years of being discharged to receive in-state tuition. This would align Nebraska statute with federal law. Thank you.

HILGERS: Thank you, Senator Walz. Debate is now open on AM467. Senator Arch, you're recognized.

ARCH: Thank you, Mr. Speaker. I have a question for Senator Vargas if he'd yield.

HILGERS: Senator Vargas, will you yield?

VARGAS: Yes, I will.

ARCH: I was just reading the document that you sent out on, on LB669 and there-- from what Senator Walz just said, there, there are specific requirements. It's not simply a, a veteran, right? In other words, we're not waiving all admission criteria for-- to attend college. There are some specific-- could you, could you, could you walk through those? I'd appreciate that.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

VARGAS: Yeah, and I'll, and I'll try to give you a high level here because we can get sort of in the weeds. But the high level here basically is we worked with the University of Nebraska specifically on making sure that this doesn't conflict with the court case Board of Regents of the University of Nebraska v. Exon. And so what we're doing here is giving basically priority, priority admission to those that meet basic admissions requirements. It still does not get in the way of, let's say, the University of Nebraska from imposing any other requirements that were not admissions related. And so this met the needs of the university while not sort of getting into the way of the admissions system. But it gives priority status so that we can get veterans-- basically cut the red tape so veterans may be able to, to be eligible here. And then we, we defined veteran student. We also worked with the university on that. You know, and this is in the bill. You can see the amendment as somebody that is either served in another state or has graduated high school in, in, in our state after January 1, 2022, or graduated from a high school in another state and served in that state after January 1, 2022.

ARCH: Thank you. My concern is that, I guess when I initially heard this, that we were somehow waiving all admission criteria. You don't have to graduate from high school. You don't have to-- you know, all of those criteria that would be basic to being successful in college as well. But you're saying we're not, we're not doing that. We're not waiving all those criteria. There are specific criteria they have to meet. However, priority is being granted for admission.

VARGAS: Yes, correct.

ARCH: Thank you.

HILGERS: Thank you, Senator Vargas and Senator Arch. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. Speaker. Good morning, good morning, Nebraska and colleagues. Senator Vargas and I spoke off the mike and the question I had to him. Comment is, is that there may be individuals who enlisted 15 years ago that may not be able to apply for this. And that's my comment and my concern is that we don't leave someone out if there are specific reasons why we're doing it to a, I guess, within the last few years, rather than someone who may already be serving for several years like myself. I enlisted and I was in for 20 years. I did take college while I was-- through that time, and I did graduate during that-- after that time. But there may be others out there that have not done that. So we could go back 20 years or more. You could have enlisted individuals out there that are graduates

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

from Nebraska, are residents of Nebraska this would not apply to. So with that, I would yield the rest of my time to Senator Vargas to speak to that if he'd like.

HILGERS: Senator Vargas, 4:00.

VARGAS: Thank you very much, Senator Bostelman. It's a good question. We're originally drafting this and working with the university and other, and other stakeholders. Part of the reason that we're going down the route of all individuals that have graduated from high school post January 1, 2022, is largely as a starting point. As you can imagine, there's a lot of different-- a lot more information for those that have served in the past, a lot of different other high schools, a lot of different requirements. And so we're starting with January 1, 2022, for all those that meet the criteria as listed in here as a starting point. I'm happy to work on this afterwards to make sure that there's acceptance for others that have served previous to 2022. The one other positive thing here is since Trump put into law this provision about removing that three-year waiting period essentially, or that you had to-- you have to have enrolled in a postsecondary institution within three years and that granted you in-state tuition. By not removing that, that makes people currently that are veterans eligible for in-state tuition in our state, even if they haven't met the three year-- signed, signed up within the first three years of their discharge. So we are sort of doing good with one part. And I think we can continue to monitor and see if we can do more in the future to address that opportunity, Bostelman-- Senator Bostelman, that you mentioned.

HILGERS: Thank you, Senator Vargas and Senator Bostelman. Senator Groene, you're recognized.

GROENE: Thank you. I'm in support of LB669. But for a simple man, I, I got a clarity question for Senator Vargas.

HILGERS: Senator Vargas, would you yield?

VARGAS: Yes.

GROENE: So let me give you a scenario. Somebody grew up in Maine, joined the Army, never was stationed in Nebraska, was in, you know, Parris Island or I guess that's the Marines, and all of a sudden they're 40 years old and they want to move to Nebraska and decide to take some-- enroll at the University of Nebraska. Is it every veteran anywhere who wants to move to Nebraska who served in the military automatic becomes an in-state student? Is that what I read here?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

VARGAS: So I'll try to speak to this as best as I can. The Trump administration passed legislation right before the end of his tenure. And that, and that removed a provision that said you have three years to qualify for in-state tuition from your discharge. If you don't take advantage of that, you lose out on in-state tuition. And so removing that, my understanding is that removing that now because it's federal law and because of what we're doing here would allow somebody to get in-state tuition that was a veteran.

GROENE: No matter what state?

VARGAS: Yeah, yeah.

GROENE: No matter where you were stationed, where you grew up--

VARGAS: Yeah.

GROENE: --and you never stepped foot in that state before and now you're 35.

VARGAS: Yeah, that, that is--

GROENE: And you move to Texas-- or you move to Nebraska, you can as long as you show you're a veteran, all the qualifications.

VARGAS: Yeah, that is my understanding. I'll make sure to get an answer to you. But that is my understanding based on the federal law that was changed. The one thing that to answer your other question is if you graduated from high school in another state, this applies to those that have graduated high school in another state and served in uniformed service while assigned in location and that's in that state after January 1, 2022. So I'll get some more answers on that other question. But that is my understanding based on the federal law that, that Trump passed.

GROENE: All veterans. All right, thank you. What about postsecondary going into law school or med schools. Does that apply, apply, too, or is just the bachelor degree?

VARGAS: So, again, my understanding is the law that, that Trump passed removed that requirement. And so-- and that was for all postsecondary education. So that include-- that's not just a bachelor's degree, that's all postsecondary education.

GROENE: All right, thank you. That clears it up. I, I stand in support of AM4-- LB669 as amended.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Thank you, Senator Vargas and Senator Groene. Senator McCollister, you're recognized and there's only two and a half minutes left to debate.

McCOLLISTER: Thank you, Mr. Speaker. Good morning, colleagues. Just a question for Senator Vargas if he'd yield.

HILGERS: Senator Vargas, would you yield?

VARGAS: Yes.

McCOLLISTER: Those members of the military currently serving and attending school in Nebraska, would this bill have any impact on them?

VARGAS: This is all individuals serving, graduating after January 1, 2022.

McCOLLISTER: Even though they're currently in the military?

VARGAS: Yes.

McCOLLISTER: Does a service member who may not have originally come from Nebraska but serving the military in Nebraska, do they receive in-state tuition for that?

VARGAS: Currently, there is a three-year waive in where you have three years to waive in-state tuition. That was up until the Trump administration removed that, that part and so now that provision is no longer in federal law so it doesn't apply anymore.

McCOLLISTER: It was my understanding that the military would pay the tuition. Is my assumption incorrect?

VARGAS: Again, there are benefits under the GI Bill. And so this is that specific part of federal law that we're touching. So yes.

McCOLLISTER: Thank you, Senator Vargas.

HILGERS: Thank you, Senator Vargas and Senator McCollister. Seeing no one else in the queue, Senator Walz, you're recognized to close. Senator Walz waives closing. Question before the body is the adoption of AM467. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 44 ayes, 0 nays on adoption of committee amendments.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: The committee amendments are adopted. Seeing no one else in the queue, Senator Vargas, you're recognized to close. Senator Vargas waives closing. Question before the body is the advancement of LB669 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 44 ayes, 0 nays on the advancement of LB669.

HILGERS: LB669 is advanced. Next bill, Mr. Clerk.

CLERK: LB291 is a bill by Senator Friesen. It's a bill for an act relating to property taxes. It changes provisions relating to property tax protests. Introduced on January 12 of this year. At that time, referred to the Revenue Committee. The bill was advanced to the General File. I do not have committee amendments. I do have an amendment to the bill from Senator Friesen.

HILGERS: Senator Friesen, you're recognized to open on LB291.

FRIESEN: Thank you, Mr. Speaker, and thank you for making this a consent calendar bill. LB291 makes minor changes to the protest process for property valuations. This bill would require a property owner to fill out the proper form prescribed by the Tax Commissioner, including the requested amount of the valuation by the property owner when the property owner wants to challenge the valuation of their property. I've offered amendment at the request of a few counties that make some minor changes. So I'll end my opening now and I'll open on AM1023, if that's OK?

HILGERS: Mr. Clerk for an amendment.

CLERK: Senator Friesen would move to amend with AM1023.

HILGERS: Senator Friesen, you're recognized to open on AM1023.

FRIESEN: Thank you, Mr. President. AM1023 replaces the bill. And in addition to using the form prescribed by the Tax Commissioner, AM1023 would allow a county to create its own form for the purposes of protesting property valuation as long as the form captures the information required by subsection (2) of Section 1 of the amendment. Some counties have spent considerable time and resources to create their own forms, so this amendment would allow them to utilize that. AM1023 also allows the counties to reach out to protesters if the protester files, files an incomplete form. And that, I will reiterate that they may reach out to them. This change will also make the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

process more user-friendly for the taxpayer. With that, I urge your green light on AM1023 and LB291. Thank you, Mr. President.

HILGERS: Thank you, Senator Friesen. Debate is now open on AM1023. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. Would Senator Friesen yield to a question?

HILGERS: Senator Friesen, would you yield?

FRIESEN: Yes, I would.

M. CAVANAUGH: Thank you, Senator Friesen. I'm just trying to catch up quick on the amendment here. And I saw that this came out of committee unanimous. And so this amendment, are the counties in support of this?

FRIESEN: Yes, this was an agreement we reached with NACO and Douglas County on Thursday, I believe, of last week.

M. CAVANAUGH: OK, thank you. I yield the remainder of my time.

HILGERS: Thank you, Senator Friesen and Senator Cavanaugh. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. Speaker. I appreciate it. I've seen this bill this morning as I was reviewing today's agenda and when I was a county commissioner, when they didn't fill out their 422 form and put in a value for their valuation request, we dis-- disallowed those. Took a few minutes, maybe a minute and a half. I'm not clear as to why we need to do this. And I was wondering if Senator Dorn would yield to a question?

HILGERS: Senator Dorn, would you yield?

DORN: Yes.

ERDMAN: Senator Dorn, when you were a county commissioner and you received that 422 form where it had their current valuation on the one column and then the next column over was the valuation requested. When a form like that came to you as a board of equalization, what-- how did you handle that?

DORN: If they did not make a request, we usually did not accept their protest just because they needed to fill some dollar amount to put in there. Otherwise, we as a board of equalization would have had to put

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

out an amount in there and we felt that the assessor had done the right amount.

ERDMAN: OK. So basically then you agreed with the assessor's valuation. So on a, on a given year of protests, how many protests would you, would you say came not completely filled out with that, that column left blank?

DORN: We would have very few. We would have some, though. We definitely would have some. And I could not tell you how many the assessor dealt with before they brought them to us for the protest.

ERDMAN: Well, under the current, under the current statute, I don't believe the assessor can eliminate that protest. They always have to bring it to the board of equalization. And I think that's what Senator Friesen's amendment is trying to do, is to allow the assessor just to remove that protest completely if it's not filled out completely.

DORN: I can't tell you in other counties. In our counties, I know the assessor always tried to make contact with those individuals and work them through the process that they forgot part of that or whatever, that they did not fill that amount out.

ERDMAN: Yeah, I understand.

DORN: That's how our county handled it.

ERDMAN: Yeah, that's the way we did too. Thank you. Senator Friesen, would you yield to a question?

HILGERS: Senator Friesen, would you yield?

FRIESEN: Yes, I would.

ERDMAN: Senator Friesen, so have I correctly stated the fact that the-- what the amendment will do, allow the county assessor, if it's not filled out completely, just not forward that on to the board of equalization?

FRIESEN: Well, I think you're correct and what they're doing, but if you read the statutes, it does not spell out that they are required to put in that amount. So I think some counties are doing it differently than others. And so this is kind of probably written for those larger counties that have more protests and it speeds up that process.

ERDMAN: So you're making, you're making two changes I would, I would assume. One of them is, you're, you're telling the taxpayer it is a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

requirement that you fill out that column that request the valuation you want. Is that correct?

FRIESEN: Yes.

ERDMAN: And then the second part of the amendment is that the county assessor, if they do not get that information in the second column valuation request, they can just eliminate that protest from the, from the hearing schedule?

FRIESEN: Yes.

ERDMAN: OK. So they're thinking that it saves time, is that what the reason?

FRIESEN: Yes. They're, they're saying that if when you have hundreds and hundreds of valuation protests and they come in with some of those things blank, they're saying that if you could eliminate those and-- or give the assessor-- and, and, again, it says they may reach out if they want to, to get that blank filled out, that they can do that and get it ready so that they don't waste time at the, at the hearing.

HILGERS: One minute.

ERDMAN: OK. So then if, if it's a requirement that they fill that out, will the taxpayer be made aware of that when they are asked to fill out the valuation change? Will they be advised that if you don't fill this out, your protest won't be heard?

FRIESEN: I assume that they will do their job of notifying the public. It's-- again, I go back to when I see a form, I either feel that the question should be filled out or take the question off the form.

ERDMAN: OK. So if, if they do not notify the taxpayer or they do not move that valuation request forward, is there a penalty?

FRIESEN: I don't believe there is, other than if they wanted to follow the strict interpretation here, they could just reject that protest.

ERDMAN: So as I think about this, if, if the county assessor wanted to, they could make a file with all of those--

HILGERS: That's time, Senator. But you're next in the queue, so you may continue.

ERDMAN: Thank you, Mr. Speaker. So let me, let me continue. Senator Friesen, let's say that the county assessor has 20 that are not filled

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

out correctly. They don't have the valuation request in there. They could make a file and present that to the board of equalization and say this file has 20 protests that were incorrectly filled out because I don't have a valuation. And the board of equalization could make one motion and reject all 20 of those. Would that be-- does that seem logical?

FRIESEN: I've never been on a county board, so I don't know that process, can't answer that question.

ERDMAN: It seems to me that that would be-- it seemed like what we're trying to do here is we're trying to pass a statute that is basically if we don't do it, it doesn't change much. I'm trying to figure out what the value of doing this is. And so I would assume that the larger counties have a lot of protests that aren't filled out correctly. But I don't know how changing the statute to say you must fill that out is going to make them fill it out. That, that-- I'm having a disconnect there, figuring out how that's going to work. Because unless they make a, a conscious effort to make sure that everyone who gets one of those 422 forms understands it's a requirement. And that 422 form is available and you can print it off online. And so you may never, ever talk to the assessor before you fill it out. So at some point in time when that's delivered to the clerk's office, someone needs to make sure that that's filled out right. I mean, it, it seems like-- it just-- it's, it's foreign to me that we can pass statutes and make people do certain things that we think they're going to do when we have no requirement to make them do it. So I'm, I'm having a difficult time with this. I appreciate you answering my questions.

HILGERS: Thank you, Senator Friesen, Senator Dorn, and Senator Erdman. Seeing no one else in the queue, Senator Friesen, you're recognized to close on the amendment.

FRIESEN: Thank you, Mr. President. Again, I've got another bill coming down the road that talks about filling out parts of a form. And so when I see a form that needs to be filled out, whether it's property tax protest or anything else that's required of us, I am always under the assumption that if you leave any portion of that blank, unless they tell you it's not needed, you need to fill out the form. But when you read our current statutes, this part is not required to be filled out and so some people do fill out the requested numbers and some do not. And so, again, to make uniformity across the state, I think which I'm interested in is because we do have property owners that own property in multiple counties and the process should work the same across all counties. And so I think that by doing this, we do kind of spell out that there is a requirement to fill out this portion of the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

form and that down the road they can print that on the form that all required-- all the questions are required or the form will be rejected. And so I think there's a very simple solution. But in the end, when you need to fill out these forms for a property tax valuation protest, fill out all the blanks. That's what we're asking for here and we're spelling it out in statute. And we're also allowing Douglas County to use-- and some other counties, the larger counties, to use forms that they've designed in the past. And this still allows them to do it. But they collect the same information that the state is requiring. With that, I urge your green vote. Thank you, Mr. President.

HILGERS: Thank you, Senator Friesen. Question before the body is the adoption of AM1023. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 41 ayes, 1 nay, Mr. President, on the amendment.

HILGERS: AM1023 is adopted. Turning to debate on LB291. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. Speaker. Senator Erdman, would you yield to a question?

HILGERS: Senator Erdman, would you yield?

ERDMAN: Yes.

BOSTELMAN: Senator Erdman, I'm trying to understand. I'm listening to what you're saying. And one question I have and-- have you sat on a board to review these forms before?

ERDMAN: Yes.

BOSTELMAN: So if I came in and say I was protesting, say it was a \$45,000 property that we're-- and I come in and I've got to fill it out now and I put \$100. What would that do to you as a--

ERDMAN: Say that again.

BOSTELMAN: So on the, the two blanks-- so say it's a \$45,000 valuation that you're protesting, right? So I come in and I say, OK, I'm just, I'm just going to put \$100. I'm not going to put \$35,000 on there. I'm going to put \$100. Would that-- would you think that would automatically kick you out of consideration or--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

ERDMAN: No. No, we, we had that-- I had that numerous times. And what we would do as a, as a county board of equalization, we would try to make a determination what the correct value should be. Just because they put \$100 there doesn't mean we're going to agree with them.

BOSTELMAN: So where does that person come up with that number? Just random or how is it justified, I guess, from the assessor?

ERDMAN: I'm having--

BOSTELMAN: So there's two questions. One is the individual themselves that they put that number down. How would you justify that? You're going to have to go out and just pick a number or you going to have to have an appraiser hired or whatever it might be. And the other question is, is where does it-- where does the county assessor from the county side come up with a number?

ERDMAN: What we, what we did as a, as a county board of equalization, if someone came in and they did a review of two or three properties in similar condition, a similar place, and had the value different than what they have and they were very similar, we would make an adjustment to whatever the value is of those three properties where they had to have proof that their property was overvalued. And the county assessor uses their sales appraisal to all the sales that happened and they determine the value of all the property that are similarly situated in the county. But what Senator Friesen's amendment is doing, it's allowing the county assessor, if you don't fill in the line where it says valuation requested, if it's zero, you don't put nothing there, the form is automatically thrown out and you don't get a chance. And so we, we did deal-- we dealt with those differently. If they had no value there, we didn't, we didn't act on them because they didn't determine and spend the time to try to determine what the value was. And so I, I don't know, I-- the same thing's going to happen if, if you pass this statute and you're required to fill this out or your, your valuation protest is thrown out, will be the same thing that happens now. If you're required to fill out the, the valuation or it's thrown out and you don't fill it out, it's thrown out. And the same thing's going to happen now if you don't fill it out. It's thrown out. So I don't know, I don't know what they're trying to accomplish. It doesn't make any sense.

BOSTELMAN: Couldn't the county require mandatory fields themselves on their own form? If they're making up their own form, couldn't they make that themselves?

ERDMAN: Say that again.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

BOSTELMAN: Couldn't the county who makes up their own form make that field mandatory already without statute?

ERDMAN: No, the form that's filled out, Senator Bostelman, is from the Department of Revenue. So they already have a form designated that you're supposed to fill it out on and so you can't make up your own form. Now Douglas and Sarpy County want a different-- and Lancaster County want a different form to be filled out. And I understand that, but the point is that I don't think that this will change anything as far as the person filling out the protest. I mean, if you don't fill it out, you lose both ways. It doesn't make any sense. It may save the county assessor some time.

BOSTELMAN: So I guess maybe I'll talk to Senator Friesen off the mike because the question I have is if, if the county is what we're saying-- what we just-- the amendment that was just passed, the counties can make up their own form. If they can make up their own form--

ERDMAN: They can't.

BOSTELMAN: No, they can't.

ERDMAN: No, they can't make up their own form.

BOSTELMAN: OK.

ERDMAN: No, we'll, we'll have to-- I think Senator Friesen has in his amendment allows Douglas and Lancaster County to have a different form than the 422 form.

BOSTELMAN: Right.

ERDMAN: And, and that's the difference. But everybody else uses that 422 form.

BOSTELMAN: OK, thank you.

ERDMAN: It's a requirement.

HILGERS: Thank you, Senator Erdman and Senator Bostelman. Pursuant to Rule 5, Section 6, we have reached 15 minutes of debate. We'll take a vote on the advancement of LB291. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 38 ayes, 1 nay on the advancement of the bill.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: LB291 is advanced. Turning to 2021 consent calendar Select File. First bill, Mr. Clerk.

CLERK: Mr. President, Select File. Senator McKinney, LB372. I have no amendments to the bill.

HILGERS: Senator McKinney for a motion.

McKINNEY: Mr. President, I move that LB372 be advanced to E&R for engrossing.

HILGERS: Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB372 is advanced. Next bill.

CLERK: LB343. I have no amendments to the bill.

HILGERS: Senator McKinney for a motion.

McKINNEY: Mr. President, I move that LB343 be advanced to E&R for engrossing.

HILGERS: Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB343 is advanced. Next bill.

CLERK: LB16. I do have E&Rs first of all, Senator, or LB616, excuse me.

HILGERS: Senator, Senator McKinney for a motion.

McKINNEY: Mr. President, I move that the E&R amendments to LB616 be adopted.

HILGERS: Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. E&R amendments are adopted.

CLERK: Senator Hughes would move to amend, AM951.

HILGERS: Senator Hughes, you're recognized to open on your amendment.

HUGHES: Thank you, Mr. President. Good morning, colleagues. AM951 is just a small fix that E&R felt was too big for them to handle in their amendment so I am bringing it. It just adds another and lender-- "and lienholder," excuse me, on page 2, line 17, which matches up the language that is on page 3, line 1. I would appreciate a green vote on AM951. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Thank you, Senator Hughes. Question before the body is the-- I'm sorry, debate is now open on AM951. Seeing no one in the queue, Senator Hughes, you're recognized to close. Senator Hughes waives closing. Question before the body is, is the adoption of AM951. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 40 ayes, 0 nays on the adoption of Senator Hughes's amendment.

HILGERS: AM951 is adopted.

CLERK: I have nothing further on the bill, Mr. President.

HILGERS: Senator McKinney for a motion.

McKINNEY: Mr. President, I move that LB616 be advanced to E&R for engrossing.

HILGERS: Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB616 advances. Next bill.

CLERK: LB58. I have no amendments to the bill, Senator.

HILGERS: Senator McKinney for a motion.

McKINNEY: Mr. President, I move that LB58 be advanced to E&R for engrossing.

HILGERS: Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB58 is advanced. Next bill.

CLERK: LB63. Senator, I have no amendments to the bill.

HILGERS: Senator McKinney for a motion.

McKINNEY: Mr. President, I move that LB63 be advanced to E&R for engrossing.

HILGERS: Colleagues, you heard the motion. All those in favor say aye. Opposed say nay. LB63 is advanced. Next bill.

CLERK: LB466. I have no E&Rs. Senator Linehan would move to amend AM927.

HILGERS: Senator Linehan, you're recognized to open on AM927.

LINEHAN: Thank you, Mr. Speaker. Good morning. I'm introducing AM927 to LB466. As you may recall, LB466 is my bill that fixes the problem

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

and only occurs in Douglas and Sarpy counties regarding the proration of prior years property taxes rather than the current property taxes when you buy a house. Shortly before LB466 was heard on General File, I was contacted by representatives of the Nebraska Bar Association and others regarding their concerns with LB66 [SIC]. I've also had discussions with the Nebraska Association of County Officials about their concerns, and Senator Flood had filed AM873, which he has since withdraw, excluding ag property from the bill. And Senator Erdman had questions as well. This amendment, I hope, I believe, addresses everyone's concern. AM927 does three things. It strikes the committee amendment and removes the counties from the process entirely so the proration is left up to the parties. It inserts the word "residential" so that the bill does not apply to ag property. And it removes the language regarding how property taxes are to be prorated, leaving it to the determination of the parties involved in the sale. It does clarify that property taxes being prorated are taxes due for the year in which the sale occurs so that the buyer is not required to pay any portion of the prior year taxes. With that, I would ask for your vote to adopt AM927 and advance-- and to advance LB466. Thank you.

HILGERS: Thank you, Senator Linehan. Debate is now open on AM927.

PANSING BROOKS: Seeing no one else in the queue, Senator Linehan, you may-- oh, oh, there is-- oh, sorry, Senator Clements is in the queue. Senator Clements, you're recognized.

CLEMENTS: Thank you, Madam President. Yes, I, I, I turned my light on just as you were being seated, so that's fine. I just want to speak to the point of agricultural land being treated differently than residential property. And I know in, in my experience with closing on agricultural land, it's usually the person who is going to get the crop from that property is who pays the tax. And if it's-- if they've already harvested a crop and then sell the land, they've received the revenue from the property for that tax year. And so the person who got that crop will pay it. If it's sold early in the year, the-- and the, the buyer of the property is going to get a crop for that year, then that person pays the tax. So it, it varies in agricultural property depending on the timing of the sale and I believe it is appropriate to have ag property treated differently than residential property. So I support AM927 and I thank Senator Linehan for making that clarification. Thank you, Madam President.

PANSING BROOKS: Thank you, Senator Clements. Seeing no one else in the queue, Senator Linehan, you are welcome to close. Senator Linehan waives closing. OK, question before the body is the adoption of AM927.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

All in favor, please signify by voting yes; all those opposed vote nay. Has everyone voted who'd like to? Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on the adoption of Senator Linehan's amendment.

PANSING BROOKS: AM927 is adopted.

CLERK: I have nothing further on the bill.

PANSING BROOKS: Senator McKinney for a motion.

McKINNEY: Ms. President, I move to, I move to advance LB466 to E&R for engrossing.

PANSING BROOKS: All those in favor say aye. Opposed say nay. Opposed nay. Motion passes. Next bill, Mr. President [SIC].

CLERK: Madam President, to LB181. Senator McKinney, I have Enrollment and Review amendments.

McKINNEY: Madam President, I move that the E&R amendments to LB181 be adopted.

PANSING BROOKS: Colleagues, you've heard the motion. All in favor say aye. Opposed say nay. Motion passes.

CLERK: I have nothing further on the bill.

PANSING BROOKS: Senator McKinney for a motion.

McKINNEY: Madam President, I move that LB181 be advanced to E&R for engrossing.

PANSING BROOKS: All-- you've heard the motion, colleagues. All in favor say aye. Those opposed nay. The motion passes.

HILGERS: Colleagues, we're about to start Final Readings. Please return to your seats. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: 36 ayes, 5 nays to dispense with the at-large reading.

HILGERS: The at-large reading is dispensed with. Mr. Clerk, please read the title.

CLERK: [Read title of LB379].

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB379e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, Day, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Williams, Wishart. Voting nay: none. Not voting: Senators Moser and Wayne. 47 ayes, 0 nays, 2 excused not voting, Mr. President.

HILGERS: LB379e passes with the emergency clause attached. We will now proceed to LB380e and the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: 31 ayes, 6 nays, Mr. President, to dispense with the at-large reading.

HILGERS: The at-large reading is dispensed with. Mr. Clerk, please read the title.

CLERK: [Read title of LB380].

HILGERS: All provisions of the law relative to procedure having been complied with, the question is, shall LB380e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, Day, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Williams, Wishart. Voting nay: none. Not voting: Senators Moser and Wayne. 47 ayes, 0 nays, 2 excused not voting.

HILGERS: LB380e passes with the emergency clause attached. We will now proceed to LB381e.

CLERK: [Read LB381 on Final Reading].

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB381e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, Day, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, McCollister, McDonnell, McKinney, Morfeld, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Williams, Wishart. Voting nay: none. Not Voting: Senators Lowe, Moser, and Wayne. 46 ayes, 0 nays, 1 present not voting, 2 excused not voting, Mr. President.

HILGERS: LB381e passes with the emergency clause attached. We will now proceed to LB382e.

CLERK: [Read LB382 on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB382e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, Day, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Williams, Wishart. Voting nay: none. Not voting: Senators Hunt, Moser, and Wayne. 46 ayes, 0 nays, 1 present not voting, 2 excused not voting, Mr. President.

HILGERS: LB382e passes with the emergency clause attached. We'll now proceed to LB383e.

CLERK: Mr. President, I have a motion on the desk. Senator Hunt would move to return the bill-- actually, she'd move to return the bill to committee.

HILGERS: Senator Hunt, you're recognized to open on your motion.

HUNT: Thank you, Mr. Speaker. Good morning, colleagues. Good morning, Nebraskans. I will withdraw this motion and this bill will pass. But I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

wanted to get some things on the record first and, and say a couple of things before we moved on. Last summer, I joined many of my colleagues in initiating the process of calling for a special session of the Legislature specifically to address racial inequity in Nebraska, in our criminal justice system, in employment and housing, and also the racial inequity of the impact of COVID-19. And at the time, many of you on the floor said, no, Megan, we don't need to do that. We can address all these problems next year when we come back into regular session. OK, well, we're back in regular session. And what have we done? We are making funding for a new prison. This weekend, I said that we need to defund the police and this statement was picked up by the news, many members in the body here have talked to me about it. Don Bacon tweeted about it. And this is a controversial thing to say because a lot of folks don't know what we mean when we say that. And I know when I say-- what I'm doing when I say this. And I think that it takes language like this that is created and propagated by activists to trickle up to lawmakers before any kind of meaningful change for cultures that are struggling can happen. And people say, no, don't say that. That terminology isn't popular. It's too controversial. People won't know what you mean. You need to say reform. You need to say training. You need to say something else. But the reality is, I'll just say it, so many lawmakers are afraid to criticize law enforcement because law enforcement organizations hold so much political power. And as a result, law enforcement officers continue to be unaccountable while they commit acts of violence, some of them many times. We can't reduce the systemic change that we need to a slogan, of course. So regardless of what slogan we use, regardless of what we call it, we need to prioritize the safety of black and brown people in our budget. We need investments in healthcare, education, housing, because we know that when we allocate money there, it affects the school-to-prison pipeline and it makes communities safer. And we're not going to make communities safer by targeting people and locking them up. That's not a solution. So when I say defund the police, what do I mean? I don't mean abolish policing. I mean reallocating funding away from the police, which for so long have had a blank check to keep doing more training, keep doing more reform as they become increasingly militarized and increasingly targeting neighborhoods and people of color. It means reallocating funds from police, from prisons, from jails, from other parts of the carceral state to other government agencies or programs. The amount that we have increased funding for these systems has not reduced the violence against black and brown people. So we have to try something else. We have to try something that works. Our carceral system is meant to lock people away and incapacitate people for their crimes rather than to promote justice and equality. We have law and order, but we don't have justice. And we

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

know that our current system arrests, polices, displaces, imprisons people of color and people who struggle in poverty more than any other demographic. And it's not proportional. Author Ibram X. Kendi wrote in an article in The Atlantic published yesterday that I read something that really struck me and he said: When we do not comply, we die like Daunte Wright did. When we do comply, we die like Adam Toledo did. For black and brown people, this is the terror of American policing. Colleagues, reform is not getting us there. We've been trying police reform for years. The concept of community policing has been around longer than I've been alive. And last summer, the Judiciary Committee held all of these listening sessions to allow people from the community to come up and share their experience with policing and ask the Legislature, the people who represent them, for reform, for reform with practices, with criminal justice, with race equity. And these hearings drew hundreds of attendees, most of them under the age of 25, most of them young people in Nebraska. And this is a generation that grew up with community policing, that grew up with resource officers inside their schools and they tell us it's not working. And we've tried reform. Last year we passed what Senator Chambers called a peewee bill, which required antibias training for police officers. And Senator Chambers himself, along with many other advocates, said that they don't expect this bill, this increased antibias training to have an impact on the violence, to decrease the incidence of violence. Instead, he said his goal with this bill was to give law enforcement officers who do commit violence one less excuse that they can use. So they can't say, well, this is how I was trained or this is not how I was trained. It just takes away an excuse when violence does occur. But the system is rotten. The legacy of racism in this country, whether it's in education or employment or housing or policing, is rotting us at the core. More training and more reform and more funding will not fix it. And asking brown and black people to subsidize their own incarceration and abuse is not an answer. Black and brown people in Nebraska spoke last summer. The younger generation spoke last summer. They asked us to fund the police less and to change the current criminal justice system. They asked for less militarization of police, for less police presence in their communities, for government investment in things other than policing and jail and prison, in things like education, healthcare, housing, jobs, food assistance. This is what people are asking for when they want their community safer, not more police and more guns, not more police with riot gear, not more police with military vehicles and military power. Last summer, when the Omaha Police Department arrested nearly 100 Omahans who were peacefully protesting, they knew that they were putting those protesters in danger by risking them to exposure in COVID-- to exposure of COVID. And they knew that they were putting those

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

protesters in a jail in Omaha that wasn't prepared to handle the influx of people. And here in the Legislature, what response did we give to the call for change from these protesters, the people who went to prison for protesting during a pandemic that wasn't prepared to handle the influx of people, the people who came to testify in front of the Judiciary Committee to tell us their experience and what they want to happen? Well, what we say to them is that we're going to plan to build a new prison. We know that black and brown people are overrepresented in prisons and jails in our state. The numbers don't lie. And in response to their call for systemic change, we're pledging to build a new prison to house even more black and brown people. In this bill, LB383, we have set aside \$15 million for a possible prison investment and we've allocated nearly \$15 million to begin the site planning for a 1,500-bed prison. I know that some in the body have argued that this is not a done deal, but I'd say that's a lot of money for something that's not a done deal when we can't get money on the floor for things like raising the tipped minimum wage or food assistance. Senator McCollister's food assistance bill is in jeopardy. We know that that's one that's in trouble. My bill to allow people who are formerly incarcerated to receive SNAP after they have completed their sentence, if they are in compliance with all other laws, doesn't have a prayer in this body. But we can spend nearly \$130 million to lock folks up, zero dollars to help them. And folks here say it's not a done deal, but it'd be a lot less done if we didn't set aside the money to do it. Instead, let's invest that money today in policies and programs that we know will decrease the incidence of incarceration in our communities. But this commitment or noncommitment of \$130-plus million for a new prison illustrates just how quick we are--

HILGERS: One minute.

HUNT: --to throw money away at the problem and flirt with the idea of a new prison. But why not spend that money for affordable housing, for healthcare, for food assistance, for education, for the things that our constituents consistently tell us that they want? Senator Lathrop and others have said, just wait, CJI will do the, the analysis. They'll get the data. They'll tell us what we need for reform and then we'll have a solution that works for everybody. But white people in power have been telling folks to just wait for generations. We know what we need to do. We do not need to wait. And we do not need to allocate this much money for a new prison. We need to shift funding and resources away from policing, away from incarceration to the people and communities that need it. What others are hoping for is that the Governor and the majority of people in this body who cannot

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

be convinced to implement reforms by constituents will just wait for private organizations like CJI--

HILGERS: That's time, Senator.

HUNT: Thank you.

HILGERS: Thank you, Senator Hunt. Debate is now open on the motion to recommit. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. I rise in support of Senator Hunt's motion to recommit. I wasn't planning to speak on this, but Senator Hunt reminded me of the importance of not remaining silent on significant issues. So thank you, Senator Hunt, for that. And this summer, we did try to bring back the Legislature to address racial justice issues and inequality in our state. And unfortunately, we couldn't even get half of the Legislature to prioritize that. And now, as Senator Hunt has stated, we're putting hundreds of millions of dollars aside to build a new prison. And we know that this isn't the right thing to do and we know this isn't the right way to address this issue. It's a thing, the preschool-to-prison pipeline or the school-to-prison pipeline. It's a thing-- it's a, it's a coined term that is used regularly. And it's because we're investing money in prisons, not in preschools. We're investing money in building places to keep people in cages. And we are not investing in education and healthcare and food and housing and mental health services. We are being terrible stewards of the taxpayers dollars by doing this kind of thing. It's the easiest thing for us to do, but it isn't the right thing for us to do. And we should rise to the challenge put forth by us today by Senator Hunt and we should move this bill back to committee. And we should have a real robust conversation over what it is we want to do with the taxpayer dollars to address safety in our communities and address the concerns facing our lower-income people in across the state. Not just black and brown, all low-income people need our help and this is an opportunity for us to do it. And I went back and I was revisiting the article I read a week or two ago from the ALEC blog about Texas policing and-- or not Texas policing, Texas prisons and how they took basically the exact same amount of money that we're taking now and they were going to build a prison and instead they invested it in mental health services and have seen a dramatic decrease in incarceration rates and a dramatic increase in people being fully participating in the community. And that's something that we could do. It was a Nebraska-- or it was a Republican legislature and a Republican governor that came together to do that. And we have both of those things here. And we could do this if we really wanted to, if there was the will to do something different

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

instead of just continuing to throw money into a black hole. But additionally, when I was looking at the ALEC website, I came across another article and it speaks exactly to Senator Hunt's bill, SNAP for Drug Felons, which the Omaha Police Department came in support of, and the Catholic Conference. Because if we want people-- it's actually what President-- former President Trump said. If we want people to be successful in reentry, we have to give them the tools to be successful. Food is the basics. We have to give people food to be successful. And when they leave prison, they get \$100, if they haven't earned \$100. Now sometimes, they've earned more than that. They get the money that they've earned while they were there making \$1.13 an hour, doing work for private companies,--

HILGERS: One minute.

M. CAVANAUGH: --private companies that won't hire them once they're released because they're convicted felons. So just another instance of corporate malfeasance in my mind, but I digress. I stand with Senator Hunt and I will be-- if she does decide to not pull it, I will vote to recommit this to committee. And I thank you. And I will get back in the queue if you want more time. OK.

HILGERS: Thank you, Senator Cavanaugh. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. Speaker. Colleagues, Governor Ricketts is never going to support reform. There is no evidence to think that that's ever going to happen. Governor Ricketts is more focused on owning the Libs by issuing symbolic proclamations saying no to sanctuary for migrant children and yes to sanctuary for guns. He's focused on suppressing the free press by making up silly applications for credentialing for his press conferences while rounding all of you up to vote against bills like Senator Morfeld's LB88. And let me tell you, colleagues, telling young people in Nebraska that they don't deserve to have their voices heard is not a great way to keep young people in Nebraska. And Ricketts knows that. Governor Ricketts knows that, he doesn't care. The Governor is not interested in changing the system or reforming the system or helping people in poverty or lifting up people of color or providing any substantive benefit to any of these people. He's on his way out and he's looking for another platform to wage his culture war. And that's not what I'm a part of. Colleagues, the state literally engineers the conditions for poverty and homelessness and hunger and conflict and illness. And then we cite these things as the reason to fund increasingly militarized police forces instead of reducing poverty or hunger or homelessness or any of the things that our policies themselves have engineered. And by

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

passing this budget with this funding for a new prison, we are complicit in that. And I know what I'm doing here, me saying defund the police, which my office has been getting calls about nonstop all weekend, is like catnip to the far right. And just as I knew they would, they lost their minds when I said this. The state GOP called me a radical, but everybody knows I'm a radical for justice. So that's no problem. All the men on the talk radio shows wanted me to come on and, and defend myself. But I don't talk to shock jocks when I have this public platform to talk to the people. And people tell me if you want to stay in power, you better not say that. But here's what people have to understand. I'm not here for power. I will literally never do anything to stay in power. I have gratitude that I'm even here in the first place. It's by the grace of your God that I even get to be here to push my button. And I will honor the gift by trying to do the right thing every day, even if it doesn't make me stay in power. And if the voters like that, thank you. And if they don't like that, democracy will do its thing and I'll be out of here because I have plenty more to do in life than be elected. And all of you should feel the same way. You should be radicals for justice. You should stand up for justice, not just for law and order. And I'm not going to be any different as long as I'm here with the tools that I have, with the circumstances that I have. And right now the circumstance is LB383, which is appropriating nearly \$130 million for the building and planning of a new prison when all of the constituents that we have are telling us that that's exactly what we don't need to do. Look at the cost per student versus cost per inmate in the state. Compare the cost to educate with the cost to incarcerate. In this country, we educate, we medicate, and we incarcerate. Those are the three biggest businesses in our country. So a budget discussion needs to be a conversation around the priorities and values and morals that we have as a society and that we want to put forward and also how we're measuring our return on investment. So I say we need to defund the police and you can call it what you want. You can take that as your ears will hear it, but what I support is investing in communities--

HILGERS: One minute.

HUNT: --and in solutions that we know work. If locking up everybody and killing people extrajudicially made us safe, we would be the safest country on the planet. But we're not because those things don't make people safe. What makes people safe is housing, healthcare, education, good jobs, lifting people up. I want actual safety and not just the illusion of safety. And I realize that defund the police is a slogan that makes a lot of people go into their corners. But the reality is that everybody needs to look at the data, be driven by the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

goal for solutions and the reality on the ground, and recognize that there is racism in our policy system for many people and defund the police resonates with those people. Furthermore, I believe that police unions are a huge roadblock to meaningful policy change and reform in criminal justice and in this area. We see this happen when the police union comes in to oppose bills.

HILGERS: That's time, Senator. But you're next in the queue, you may continue.

HUNT: Thank you, Mr. Speaker. We see this happen when the police union comes in to oppose bills that we have to increase transparency and accountability, when we ask for oversight boards, when we ask for body camera footage, when we want to end qualified immunity. The union fights to keep disciplinary records confidential. They fail to discipline cops who are violent and they protect officers at the expense of the public good, which undermines trust and undermines public safety. And for that reason, I, I do not accept political contributions from the police union. I did receive their endorsement in my election. But I think that for us as elected officials to be effective in justice reform and in enacting real public safety for the people, we have to be off the political payroll of law enforcement. Black Nebraskans are overrepresented in Omaha police and Douglas County Sheriff's Department traffic stops, search, and arrests. Black Nebraskans make up 5 percent of Nebraska, but almost a third of our prison population, 55 percent of the boys in Omaha's Youth Correctional Facility are black. Students of color are overrepresented in law enforcement referrals in Omaha area school districts. In Douglas County, black Nebraskans are almost two times as likely to be arrested for marijuana possession for cannabis as white people. We have to acknowledge and dismantle racism and build up support for mental health and economic opportunity and the services that we know pull people up, that keep them from recidivating, that keep them from committing crimes that are engineered by the policies that we pass here. That's a real proven crime plan that advocates safety for all. And colleagues, a prison is never going to do that. And there are very few elected officials at the state level who agree with me who are willing to do that. Some people say that our budget is a moral document because it's a reflection of what we invest in for our priorities. Unfortunately, colleagues, our priority appears to be, after everything that happened last summer, after all of the listening sessions that we had, the priority appears to be continued systemic investments in police, in law enforcement and in incarceration, more carceral solutions to economic problems, more carceral solutions to poverty. But what are we doing to decriminalize poverty and help these

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

people out? This is a desolate and bleak statement in our budget. I think I will leave this motion up. I'll let us have a conversation about it. I see a few people in the queue and we can, we can have a vote on this. It'll fail and you guys can get your prison money. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. And that was your second-- you have your close remaining. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. And good morning, colleagues. I rise today opposed to Senator Hunt's motion and in support of LB383. We're faced in this Legislature with a choice, every single one of us, every single day. We can talk about catchy one-liners like defund the police in this body or we can actually get things done that benefit the people of Nebraska. So while I appreciate this conversation and while there's a very vocal group of people demanding that we defund the police, while the overwhelming majority of Nebraskans and Americans support our police officers and the work they put in every single day in serving our communities. The protests in Omaha were not peaceful. The riots in Lincoln even damaged this building, among many others in our area. Spouting headline-grabbing, inaccurate one-liners, demanding reform may get you into the news cycle, but they provide no real meaningful action and actually keep us from getting to the bills that Senator Hunt is trying to advocate for. So I'm getting up today just to thank the hardworking police officers, state troopers, sheriffs, and sheriff deputies of Nebraska who put their lives on the line every single day in our communities. We appreciate your service and will continue to give you the resources you need to keep our communities safe. Thank you, Mr. President.

HILGERS: Thank you, Senator Slama. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. I was going to yield my time, but I'm just going to speak for a few minutes. So an interesting concept was brought to me over the weekend about policing and all of the shootings that we're seeing happen, the, the increase. I-- honestly, I don't know that we're seeing an increase in police shootings, but we're certainly seeing an increase in coverage of them, which is, I think, an important thing to acknowledge. But my sister-in-law is an OB in a hospital in Chicago and she works at a hospital specifically because it is very expensive to be an OB, to do labor and delivery. You have to have very, very good insurance coverage as a doctor. And it's hard for people to have a small private practice as a result because there's this liability and it goes through-- I, I don't even know what age. I don't want to misspeak. I'm

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

going to say I think 18, but it could be even longer, for a doctor for anything that happens from-- as a result of that delivery. And somebody said to me, well, what about police having this kind of insurance? If police had to have insurance like doctors have to have insurance and their premiums would go up, the more infractions they had, the more lawsuits there were against them and then they would have their insurance dropped, wouldn't that be another tool to hold police accountable? And I think that's a really interesting concept. And I, I don't know exactly how that would work, but certainly I think it's worth exploring as an option. And I don't think that it's dangerous or reckless to have these kind of conversations. I think it's important to have conversations on how we can make our policing better and work for everyone, not just for some. I don't think that I heard any disparaging remarks about our police today. I, I think that there's a lot of respect for law enforcement. They're public servants, just as we are, and, and are respected as such. But that doesn't mean that they can be unquestioned and unchallenged in their work, just as we are questioned and challenged in our work. I think that it is completely appropriate to do so. So I am looking forward to voting to recommit this to committee because if we're going to be spending this much money, there are better things that we can do that directly provide services and supports to individuals, individual citizens, and doesn't just put money in the pockets of corporations building prisons. Thank you. I yield the remainder of my time.

HILGERS: Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator Hunt, you're recognized to close.

HUNT: Thank you, Mr. Speaker. I appreciate the conversation today. I'm certainly not disparaging officers who protect and serve and who, who do their best to follow the law and serve the people who they protect. I'm not talking about those officers. That's not what I'm talking about. I'm talking about the feedback from our communities, particularly in Omaha, where nearly 100 people were arrested protesting last year during a pandemic, put in jail. Some of them are still, you know, owing fees from that ordeal when they didn't even break any laws. And the reason they were in those situations-- the reason they were incarcerated is because of decisions of the police. And we need to do more to hold police accountable. And when police officers are endorsing political candidates, when they're coming in and opposing bills in the Legislature to increase transparency and accountability for the people who are supposed to keep us safe, that doesn't do anything to increase public trust. After the last year, I hope that many of us have evolved in our positions about the justice system when it comes to policing, incarceration, in the way we target

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

folks so unequally. And after that kind of evolution and after thinking about the system and how much we contribute to it here in the Legislature, LB383, with nearly \$130 million for a new prison, is just not something I think we can support with a good conscience. I understand that this is a compromise. This is a win for moderates as, as far as I see it, and I'm sure as far as they see it, because it doesn't allocate funds directly for the new prison, it just sets it aside. And it also allocates funding for the planning so that we can make sure that the prisons actually need it, that we have data, that we know that it's going to do the job that we want it to do. But I stand with Nebraskans and Omahans in particularly from my district who say we don't want a new prison at all. We don't want to give the state any more excuses, any-- make it any easier for them to lock us up, to target us when we know that that's already happening at a disproportionate rate. When the state's policies, when the state of Nebraska authorizes agents of the state, law enforcement officers to kill, to arrest people who haven't broken a law, to debase and to abuse people who are exercising their right to protest, we are complicit in that immorality and that inequality. And I would like us to look more seriously at passing bills that actually help lift people out of these situations. Senator Slama said that when I do things like this and speak on bills like this, we're taking time away from bills that I say I want, that we could actually do that. So bills like increasing LGBTQ equality in Nebraska, things like SNAP benefits, whether it's Senator McColister's SNAP benefit cliff bill or my bill to allow formerly incarcerated people to apply for benefits if they're eligible, which is like level one of equality, really. It's like so basic. And I know that we're not even going to be able to do that. It's disingenuous to say that those are the things that I need to shut up so we can go focus on, because we also know that none of you are going to focus on that stuff. So I'm going to take the opportunity to talk on a bill that's dealing with incarceration because whenever we bring a bill here in the body to decrease incarceration, to help people who are targeted for incarceration, to help people who are more targeted by police officers, it either doesn't get voted out of committee or you all--

HILGERS: One minute.

HUNT: --move it through General File to be nice and then kill it on Select, or you find some reason that you can't support it. For example, the Governor is going to veto it. Governor Ricketts doesn't support it. Well, colleagues, we're a separate branch of government. And if you know that something is the right thing to do, you should vote for it, despite what your Governor says. But I don't think that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

that's the reason that most of you are here, to be honest. And you see the donations that you get from law enforcement, you see the donations you get from Governor Ricketts, you see donations that you get from private prison companies. And it's no wonder that allocations for funding for new prisons like this fly through so easily. If you want to have a good faith conversation with me about policies that will reduce incarceration, I'm obviously happy to have that. But that is not something that has happened yet in this body with me. So this was for the people of Nebraska. I want you to know that there are folks in here who are--

HILGERS: That's time, Senator.

HUNT: --opposed to the prison. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. Question before the body is the adoption of the motion to recommit to committee. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 3 ayes, 35 nays, Mr. President.

HILGERS: Motion is not adopted. First vote is to dispense with the at-large reading. I'm sorry, members we're on Final Reading, so please return to your seats. First vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: 35 [SIC 36] ayes, 3 nays to dispense with the at-large reading.

HILGERS: The at-large reading is dispensed with. Mr. Clerk, please read the title.

CLERK: [Read title of LB383].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB383e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: Voting aye: Senators Albrecht, Arch, Blood, Bostar, Brandt, Brewer, Briese, Clements, Day, DeBoer, Dorn, Erdman, Flood, Frisesen, Geist, Groene, Halloran, Ben Hansen, Hilgers, Hilkemann, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, Morfeld, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Williams, Wishart. Voting no: Senators Machaela Cavanaugh, Hunt. Not

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

voting: Senators John Cavanaugh, Matt Hansen, McKinney, Aguilar, Bostelman, Gragert, Hughes, Moser, Wayne. 38 ayes, 2 nays, 3 present not voting, 6 excused and not voting.

HILGERS: LB383e passes with the emergency clause attached. The next bill, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: 31 ayes, 4 nays, Mr. President. Excuse me, 33 ayes, 4 nays to dispense with the at-large reading.

HILGERS: The at-large reading is dispensed with. Mr. Clerk, please read the title.

CLERK: [Read title of LB384].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB384e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: Voting aye: Senators Albrecht, Arch, Blood, Bostar, Brandt, Brewer, Briese, Matt-- Machaela Cavanaugh, Clements, Day, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McKinney, Morfeld, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Williams, Wishart. Voting nay: none. Not voting: Senators Aguilar, Bostelman, John Cavanaugh, Gragert, Hughes, McDonnell, Moser, Wayne. 41 ayes, 0 nays, 8 excused not voting, Mr. President.

HILGERS: LB384e passes with the emergency clause attached. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign the following LBs: LB379, LB380, LB381-- sorry, LB379e, LB380e, LB381e, LB382e, LB383e, and LB384e. Mr. Clerk for items.

CLERK: Mr. President, an amendment to LB406 by Senator McDonnell to be printed. Senator Matt Hansen offers LR97 interim study resolution. It'll be referred to the Board. Name adds: Senator Murman, LB2; Walz, LB147; Machaela Cavanaugh, LB147, LB275; and Flood, LB406. Government Committee will have an Executive Session upon recess at, at noon in Room 20-- in Room 1507, excuse me. Government Committee in 1507. Senator McKinney would move to recess the body until 1:30 p.m.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Colleagues, we will pick up Final Reading when we come back after the recess. You've heard the motion. All those in favor say aye. Opposed say nay. We are in recess.

[RECESS]

HILGERS: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: I have a quorum present, Mr. President.

HILGERS: Thank you, Mr. Clerk. Do you have any items for the record?

CLERK: Just one, Mr. President. Bills read on Final Reading this morning were presented to the Governor as of 1:38 p.m. (Re: LB397E, LB380E, LB381E, LB382E, LB383E, and LB384E.) That's all that I have.

HILGERS: Thank you, Mr. Clerk. Colleagues, we will pick up with Final Reading, so please return to your seats for Final Reading. We'll start in a minute. Mr. Clerk, the first bill is LB385e.

CLERK: [Read LB385e on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB385e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Have all voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, Wishart. Voting nay: none. Not voting; Senator Machaela Cavanaugh, Aguilar, John Cavanaugh, Day and Hughes. 44 ayes, 0 nays, 1 present and not voting, 4 excused and not voting.

HILGERS: LB385e passes with the emergency clause attached. We will now proceed to LB666e.

CLERK: [Read LB666e on Final Reading].

HILGERS: All provisions of the law relative to procedure having been complied with, the question is, shall LB666e pass with the emergency

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

clause attached? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, John Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, Wishart. Voting nay: 0. Not voting: Senators Machaela Cavanaugh, Hunt, Aguilar and Day. 45 ayes, 0 nays, 2 present and not voting, 2 excused and not voting, Mr. President.

HILGERS: LB666e passes with the emergency clause attached. We will now proceed to LB386e.

CLERK: [Read LB386e on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB386e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Williams, Wishart. Voting no: Senator Hunt. Not voting: Senators Wayne and Day. 46 ayes, 0 [SIC 1] nays, 1 present and not voting, 1 excused and not voting, Mr. President.

HILGERS: LB386e passes with the emergency clause attached. We will now proceed to LB386Ae.

CLERK: [Read LB386Ae on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB386Ae pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Williams, Wishart. Voting nay: Senator Hunt. Not voting: Senators Wayne and Day. 46 ayes, 1 nay, 1 present and not voting, 1 excused and not voting.

HILGERS: LB386Ae passes with the emergency clause attached. We will now proceed to Final Reading consent calendar. First bill, Mr. Clerk.

CLERK: [Read LB65 on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB65 pass? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, Wishart. Voting nay: none. Not voting: Senator Day. 48 ayes, 0 nays, 1 excused and not voting, Mr. President

HILGERS: LB65 passes. We will now proceed to LB105.

CLERK: [Read LB105 on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB105 pass? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, and Wishart. Voting nay: none. Not voting: Senator Day. 48 ayes, 0 nays, 1 excused and not voting.

HILGERS: LB105 passes. We will now proceed to LB180.

CLERK: [Read LB180 on Final Reading].

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB180 pass? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, and Wishart. Voting nay: none. Not voting: Senator Day. 48 ayes, 0 nays, 1 excused and not voting.

HILGERS: LB180 passes. We will now proceed to LB224.

CLERK: [Read LB224 on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB224 pass? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pansing Brooks-- Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, and Wishart. Voting nay: none. Not voting: Senator Day. 48 ayes, 0 nays, 1 excused and not voting, Mr. President.

HILGERS: LB224 passes. We will now proceed to LB265e.

CLERK: [Read LB265e on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB265e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, McCollister, McDonnell, McKinney, Morfeld, Moser,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, and Wishart. Senator Lowe voting yes. Senator Geist voting yes. Voting nay: none. Not voting: Senator Day. 48 ayes, 0 nays, 1 excused and not voting, Mr. President.

HILGERS: LB265e passes with the emergency clause attached. We will now proceed to LB312.

CLERK: [Read LB312 on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB312 pass? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hilkemann, Hughes, Hunt, Koltetman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, and Wishart. Voting nay: none. Not voting: Senator Day. 48 ayes, 0 nays, 1 excused and not voting.

HILGERS: LB312 passes. We will now proceed to LB414.

CLERK: [Read LB414 on Final Reading].

HILGERS: All provisions of law relative to procedure having been complied with, the question is, shall LB414 pass? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Groene, Halloran, Hansen, Hansen, Hilgers, Hughes, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, Wishart. Voting nay: none. Not voting: Senators Hilkemann and Day. 47 ayes, 0 nays, 1 present and not voting, 1 excused and not voting, Mr. President.

HILGERS: LB414 passes. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign the following LBs: LB385e, LB666e, LB386e, LB386Ae, LB65, LB105, LB180,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

LB224, LB265e, LB312, and LB414. Turning to Select File 2021 priority bills. First bill, Mr. Clerk.

CLERK: Mr. President, LB156. Senator McKinney, I have Enrollment and Review amendments, first of all.

HILGERS: Senator McKinney for a motion.

McKINNEY: Mr. President, I move to adopt the E&R amendments to LB156.

HILGERS: Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. E&R amendments are adopted.

CLERK: Mr. President, Senator Wayne, I have AM918 and AM933 with notes you wish to withdraw. Mr. President, then I have Senator Wayne, AM956.

HILGERS: Senator Wayne, you're recognized to open on AM956.

WAYNE: Thank you, Mr. President, and members of the Legislature. AM956 is a follow-up amendment that we discussed on General File based on the ongoing conversations between my office, the Chamber of Commerce and interested parties. With this amendment, all concerns that were raised on the floor have been addressed. The amendment makes a series of large technical changes. First, the amendment provides that the Department of Economic Development will-- will have the authority to review proposed inland port authorities to ensure the-- they sufficiently meet the eligibility require-- criteria. As originally written when the first-- the bill was first come, first serve. After talking to interested parties, we think that DED should have the ability to review the proposed authorities to examine things like economic feasibility of the proposed locations, the strategic location of the proposed location relating to existing and potential transportation infrastructures, and their regional and statewide economic impact of the proposed location. The underlining goal of this bill is to establish port authorities from west to east employing the barbell effect that I think is best for Nebraska and many people who study economics think so too-- although I don't study economics. The amendment gives DED a certain amount of discretion in determining whether the proposed port authorities have met the statutory criteria to ensure geographic representation, overall viability and readiness for the port district. Second, the amendment clarifies the ability of port authorities to build structures and charge development fees within the boundaries of the port district. Third, the amendment clears up the revenue bond language to state that port authorities may pledge revenue derived from sale or lease of property within the port district to pay off bonds. And fourth, the amendment clarifies that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

the appropriation language for transfer of the site building fund is clarified. Finally, AM956 also addresses the issue that came up between General and Select File relating to the tax-exempt status of port authorities. As a political subdivision, an inland port authority would be exempt from state and local taxes, but the language of the bill was being broadly read. Inadvertently, some people thought it exempt the paying of Workers' Compensation insurance or unemployment insurance. So we ended up clarifying that to make sure that it doesn't exempt the work-- Nebraska Workers' Compensation Act or anything under federal law. This change would eliminate portion of the fiscal note of the Department of Labor, leaving just \$5 million transfer from the Site and Building Fund that would fund what we discussed on General File. I would ask you to vote green on AM956 and I'm here to answer any questions. Thank you, Mr. President.

HILGERS: Thank you, for your opening, Senator Wayne. Debate is now open on AM956. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President. Members, I apologize. I started looking at the agenda and I was like, oh, goodness. All right, LB156. Would Senator Wayne yield to a question?

HILGERS: Senator Wayne, would you yield?

WAYNE: Yes.

FLOOD: Senator Wayne, I was looking at the qualifications for an inland port authority and it looks like it's confined to metropolitan primary and first class cities. Would this be incorporated areas or would it also include areas outside of the-- the city limits?

WAYNE: So the First Amendment that we brought on General File allowed interlocal agreements and allowed for them to be in counties of less than-- more than-- less than-- less than 20,000? More than 20,000.

FLOOD: OK, so that-- that modifies that.

WAYNE: Yeah, that was-- that was adopted on General File.

FLOOD: OK. And then as it relates to major airport and major rail line, so I-- I live in an area of the state, doesn't have a class I railroad. I have a short line railroad. Are those two-- do-- do both of those conditions have to be met or is it just one of the conditions have to be met?

WAYNE: Just one.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

FLOOD: OK.

WAYNE: Two of them. I'm sorry, I was wrong. Two of the four. I'm being corrected by legal counsel.

FLOOD: OK. And then major airport, obviously we don't have commercial service so that probably wouldn't apply. You have to have commercial service to have a major airport or what is the--

WAYNE: Correct. But what we try to do and when we specifically look at Norfolk area was-- was the highway. And you do have a rail line, although it's not major, I think it still would qualify. We were just trying to make sure there were transportation available when-- when designing these.

FLOOD: As it relates to the Workers' Compensation Court, you resolved that issue?

WAYNE: Yeah. So they were reading it to say we were exempt from federal law, which I don't know how we could do that. So we just tightened it up to say we're not exempt from Nebraska Workers' Compensation Court or unemployment insurance.

FLOOD: So inside this port authority, they wouldn't be subject to sales tax or income tax or--

WAYNE: Well, if there's a business inside of there, they could be, but-- but it's a political subdivision, so the subdivision itself would not be subject to tax. All they're trying to do is get the site ready.

FLOOD: OK. And then they'd sell the real estate to a commercial.

WAYNE: Sell a lease to development. But this is about getting sites to be shovel ready, getting-- parceling together the land to make sure we can bring in something.

FLOOD: OK. Thank you very much.

WAYNE: Thank you.

FLOOD: Thank you, Mr. President.

HILGERS: Thank you, Senator Wayne and Senator Flood. Senator Erdman, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

ERDMAN: Thank you, Mr. Speaker. Good afternoon. I wonder if Senator Wayne would yield to a question or two.

HILGERS: Senator Wayne, would you yield?

WAYNE: Yes.

ERDMAN: Senator Wayne, I'm still trying to figure out what this does, but this question I do have, it says in the bill located near a major airport. Is there a definition for major airport?

WAYNE: Yes, there is. I answered it. Do you want me to tell you what it is?

ERDMAN: Please.

WAYNE: On the bottom of page 2, it says a major airport means with commercial service defined as the Federal Aviation Administration.

ERDMAN: OK, so do you know if Sidney airport is such a designation?

WAYNE: I do not know that off the top of my head.

ERDMAN: That's OK. I just was curious. I know Scottsbluff is, but I didn't know whether Sidney was. I appreciate that. So the amendments that you've made have answered the questions on the concerns that we had earlier when we had the bill the first time?

WAYNE: Yes.

ERDMAN: And so you would encourage me to vote green?

WAYNE: Yes.

ERDMAN: OK. Thanks for answering the questions. I appreciate it.

HILGERS: Thank you, Senator Wayne and Senator Erdman. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President. One more question for Senator Wayne as it relates to the Nebraska Site and Building Fund. Senator Wayne, would you yield to a question?

HILGERS: Senator Wayne, would you yield?

WAYNE: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

FLOOD: So the-- so-- so this-- in the fiscal note, it talks about taking \$5 million out of the Nebraska Site and Building Fund, but it's unclear as to whether or not it's a second \$5 million in the second year of the biennium. Where-- where are we going on that? What's your intent?

WAYNE: So my amendment, this AM956 clarifies that you get \$5 million-- we'll get-- this fund will get \$5 million this year and \$5 million next year.

FLOOD: OK. What currently-- are General Funds funding the Site and Building Fund?

WAYNE: Yes.

FLOOD: And what is it currently being used for or what--

WAYNE: So typically DED has some discretion on site development and that's why we thought the fund match. It would just put in a subaccount into that fund. So they do site development for corporations and any kind of development actually.

FLOOD: Do you know where those funds are being spent, like what kinds of projects and how much the fund is annually right now?

WAYNE: I do not know that off the top of my head, but I could get that.

FLOOD: OK. Thank you, Senator Wayne. I remember back in 2007 when we set up the Site and Building Fund or at least I was part of the discussion on the Site and Building Fund. And as I recall at that time, it was used in situations where a major plant or employer would vacate a community and a Site and Building Fund would then be available for the community to-- to repurchase the site that was vacated by an industry. And so here in this case, removing \$5 million out of that, I-- I think there's value to what Senator Wayne's doing. I guess I want to understand as much as I can how much money goes into the Site and Building Fund and understand, you know, how much money that leaves in the Site and Building Fund. So those are things that I can investigate and thank you, Mr. President.

HILGERS: Thank you, Senator Wayne and Senator Flood. Senator Groene, you're recognized.

GROENE: Thank you, President. Senator Wayne, I have a couple of questions.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Senator Wayne, would you yield?

GROENE: On line 26 of your--

WAYNE: Yes.

GROENE: On line 26, page 1, the last, very last line of page 1, it says, "insert ', buildings, and infrastructure.'" Could you tell me-- buildings and infrastructure, what does that encompass?

WAYNE: So in order to apply for a federal trade designation, they have to have that authority. So we're matching the federal trade definition. So otherwise they couldn't qualify if they couldn't build-- have a building-- build a building. So we're just matching it to a free up the tax free zones that apply at the federal level.

GROENE: All right. So I know bureaucracies and how they grow. So they couldn't build a six-story building and house the-- house the authority there? And then could they do that or would it have to be a building that's designated for the company or business who wants to come? What are we building?

WAYNE: So theoretically they could, but they would have to finance it underneath your scenario. And we're not-- remember, we're not giving them a taxing authority and that was the trade-off of--

GROENE: But the \$10 million.

WAYNE: Yeah, but they would have to apply through DED, so that would all be laid out by the checks and balances through DED.

GROENE: All right. So one more question. I know it fits North Platte, of course. It's got two of the-- we have at least two of the prerogatives. But I mean, we got \$10 million sitting there. Great. They use it. But is there a community that that's far along in the next bi-- in this biennium that they're going to be applying for that \$10 million? Do they have land lined up they want to buy and infrastructure they want to put in? What happens at the end of biennium and nobody applies for it, it's approved?

WAYNE: It would sit there, but we could definitely look at it moving forward and move it back into General Funds. But we were just trying to, again, eliminate the concerns we had for taxing authorities of increasing taxes. So that's why we use General Funds.

GROENE: So it would be sitting in a cash fund?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

WAYNE: It would be sitting, yes.

GROENE: And then legislators after I'm gone-- it didn't work out. North Platte didn't create one, which I think would tie right in with the rail park. The money could be utilized and repurposed if the Legislature wanted to do that?

WAYNE: Correct.

GROENE: Correct. After two years?

WAYNE: Correct.

GROENE: All right, thank you.

HUGHES: Thank you, Senator Groene and Senator Wayne. Senator Wayne, you're recognized.

WAYNE: I just wanted to clarify, Senator Flood. The doc stamp actually funds the Site and Building Fund. It comes in about \$2.5 million a year. And this \$5 million is actually a transfer from our General Fund to there. So it's the infusion of new funds. We're not taking funds away from the-- building a special fund. And with that, I'll yield the rest of my time to Senator Flood if he has any more questions.

HUGHES: Senator Flood, 4:30.

FLOOD: Thank you, Senator Wayne. I appreciate the answer there and I was able to track down a few things just in between. I understand that this is big thinking about how to create an inland port. And I guess I'm on Senator Wayne's time. There's been a little while since we last talked about an inland port. I know when you first hear about it, you think-- I thought, like, Nebraska City. You're thinking a navigable waterway. And that is one of the opportunities here because they also have a class I railroad, I believe, in Nebraska City. It is in a county, though, with less than 20,000 people. But can you talk about what the possibility with this inland port could be in-- in a metropolitan city like Omaha?

WAYNE: Yes. So, yes. So think-- so originally, we were trying to do something from Omaha, if you'll recall. And then we just don't have the land in Omaha to meet the definition. So it's actually outside of Omaha in south Sarpy. And originally when we lost Toyota and Tesla as potentials, it was part of the problem was the land-- gathering the land and putting the deal together in time. So this actually doesn't benefit, but when we were designing this, Senator Flood, we actually

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

looked at Nebraska City and they are a city of the first class, so we already had them lumped in there. So that's how we try to balance it across the state. But this was absolutely originally a Omaha deal. Then we brought in South Sioux City. It took us four years to kind of come up with this bill to figure out how to apply it across the state because the longer we wait for manufacturings to come, we're behind the scene where we should be out actively looking for light manufacturers and processing plants to recruit in and say here, we have 300 acres, let's develop it. And so when we saw Senator Groene's bill and we looked at that was about 167 acres next to about another 200 acres, it kind of fit what we were thinking about as far as having enough acreage to build on. So North Platte is going to be the guinea pig in this to see how it works, I think, but we are looking for south Sarpy to do something similar to start developing in that area. But we're just trying to figure out a way when we lost those last two competitive bids where land was a significant part of the issue of timeline, how do-- how do we streamline that from an economic development perspective? And in no way does this apply to Omaha because we don't have 300 acres. And so at least inside-- inside the Omaha area, we just don't have it. So this is truly a bill for everywhere else. Hopefully, we can create this barbel state, whether it's in Sidney or Scottsbluff, but I think that's the only way Nebraska can grow the way it should. Thank you, Mr. President.

HUGHES: Thank you, Senator Wayne and Flood. Seeing no one else wishing to speak, Senator Wayne, you're welcome to close on AM956.

WAYNE: Thank you, Mr. President. And again, I just want to highlight with this-- this-- this amendment addresses all the concerns that were brought up from the taxes or the unemployment or Workers' Comp to the cash funds being cleared. And just even as first come, first serve, making sure DED had some flexibility to evaluate proposals. We heard from the committee. There was-- there were no opposition to this. People were really into the idea of-- of creating a coalition to get sites ready. And how this mirrors up with the rail ready, rail pro project that Senator Groene has is that they already have a site ready to go. But for the communities that don't have a site ready to go that are just outside of their community and they're looking to develop, this gives them the tool and kind of-- and not just that the infrastructure to have conversations to make sure these rural communities can develop in a-- in a way that fits them. And so that's what this bill is about. I've been pretty transparent for those who have watched me over the last four years trying to do a tax-free zone in north Omaha. That's where it started. And this has nothing to do with Omaha. I wish Omaha could benefit from it, but it just doesn't.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

And so this is looking at the South Sioux Cities, the Nebraska Cities, Norfolk, Grand Island, North Platte, Hastings. And even if you look at the highway definition and rail, you're talking about Sidney, Scottsbluff, areas that are looking to grow, looking to bring manufacturing and light processing back to Nebraska and this gives them that tool. So I'd ask for a green vote on AM956 and the underlying bill. Thank you, Mr. President.

HUGHES: Thank you, Senator Wayne. The question is, shall the amendment to LB156 be adopted? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

CLERK: 43 ayes, 0 nays on the adoption of Senator Wayne's amendment.

HUGHES: The amendment is adopted.

CLERK: Senator McKinney, I had AM985 from you, Senator, but I understand you wish to withdraw. Yeah, thank you. I have nothing further on the bill, Mr. President.

HUGHES: Senator McKinney, as Chairman of E&R, you have a motion.

McKINNEY: Mr. President, I move that LB156 be advanced to E&R for engrossing.

HUGHES: Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. Motion carries. Next item, Mr. Clerk.

CLERK: Mr. President, LB156A. Senator, I have no amendments to that bill.

HUGHES: Senator McKinney for a motion.

McKINNEY: Mr. President, I move that LB156A be advanced to E&R for engrossing.

HUGHES: Colleagues, you've all heard the motion. All those in favor say. All opposed say nay. Motion carries. Mr. Clerk.

CLERK: Mr. President, LB81. I have E&R amendments to LB81, Senator.

HUGHES: Senator McKinney.

McKINNEY: Mr. President, I move that the E&R amendments to LB81 be adopted.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HUGHES: Colleagues, you all heard the motion. All those in favor say aye. All opposed say nay. Motion is adopted.

CLERK: I have nothing further on that bill, Senator.

HUGHES: Senator McKinney.

McKINNEY: Mr. President, I move that LB81 be advanced to E&R for engrossing.

HUGHES: Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. Motion carries. Next item, Mr. Clerk.

CLERK: Mr. President, LB451. I have Enrollment and Review amendments, Senator.

HUGHES: Senator McKinney.

McKINNEY: Mr. President, I move that the E&R amendments to LB451 be adopted.

HUGHES: Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. The motion carries.

CLERK: I have nothing further on that bill, Senator.

HUGHES: Senator McKinney, you're recognized.

McKINNEY: Mr. President, I move that LB451 be advanced to E&R for engrossing.

HUGHES: Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. The motion carries. Next item, Mr. Clerk.

CLERK: Mr. President, LB561. I have E&R amendments, first of all, Senator.

HUGHES: Senator McKinney for a motion.

McKINNEY: Mr. President, I move that the E&R amendments to LB561 be adopted.

HUGHES: Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. The motion carries.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

CLERK: Senator Briese, FA13. I have a note you wish to withdraw, Senator. Mr. President, the next amendment to the bill, Senator Briese, AM863.

HUGHES: Senator Briese, you're welcome to open on AM863.

BRIESE: Thank you, Mr. President, and good afternoon, colleagues. I rise today to offer AM863 to the E&R amendment to LB561. As you recall, we had a fairly robust discussion last time on AM426, the committee amendment to LB561. The question was divided at that time and we advanced each portion of it after considerable debate and advanced the package as an amendment to LB561. I'm offering AM863 to address the issues that were raised on March 17. So in a nutshell, what does AM863 do? Section 1 eliminates the authorization of electronic keno as provided-- as otherwise provided in AM426. Sections 2, 5 and 8 eliminate the authority of the commission to use directives in implementing the Racetrack Gaming Act. Section 3 excludes bets on high school competition or below. Section 4 defines a category under the term "prohibited participant" that is not allowed to participate in gambling and prohibits wagering on Nebraska in team, in game wagering and prop bets on those under 18 and anything else otherwise prohibited by the commission. Section 6 requires the commission to require an operator demonstrate an ability to restrict credit card transactions. Section 7 requires enforcement of the prohibited participant ban and I will speak to these items in additional detail as soon as we go forward. Thank you, Mr. President.

HILGERS: Thank you, Senator Briese. Senator John Cavanaugh, for what purpose do you rise?

J. CAVANAUGH: Mr. Speaker, I would like to move to divide the question on the amendment.

HILGERS: Senator Briese and Senator Cavanaugh, would you please approach? Colleagues, Senator Cavanaugh moved to divide the question. It is the ruling of the Chair that AM863 is divisible. After conferring with Senator Briese, he has selected that AM982 will go first, followed by AM983. Senator Briese, you're recognized to open on AM982.

BRIESE: Thank you, Mr. President. AM982 pulls out the electronic keno portion of LB561. I have the greatest respect for Senator Cavanaugh and his position here, but I really do believe that we need to pass this amendment. And so a little history. The ballot proposal in November did not address keno. I introduced LB560 and LB561 to help implement and put some parameters in place around the voter-passed

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

ballot proposal. Initially, they contained nothing relative to keno and it was brought up by at least one keno proponent at the hearing on either LB560 or LB561 that they would like to have the ability to offer electronic keno tickets or to be able to use their phones to play the game. So Senator Cavanaugh offered an amendment to the amended LB560 to allow for the use of electronic keno tickets. The committee agreed to put it into LB560. I believe it was on a vote of 6-2. And I would say the thinking there was that it was a matter of fairness to our keno operators as these racetrack casinos were being implemented and also to keep their revenue stream intact. And then LB560 was rolled into LB561, which is today's bill. And on the floor last time, the keno amendment was divided from AM426 and it encountered considerable opposition on the floor, but it was advanced. And at the debate last time, Speaker Hilgers pointed out the keno amendment had not had a public hearing on its own. Again, we talked about it briefly at the hearing on LB560 or LB561, but it did not have a separate hearing. So I agreed to have a hearing on it, which we did on March 29. And we did update the committee statement to reflect what happened at that hearing. But overall, we had six proponent testifiers, three opponent testifiers, I believe a couple more letters in support of electronic keno and probably one letter in the neutral position. The proponents of this included city officials and keno operators and generally their message was that allowing the use of electronic keno would help protect their industry and their revenue stream from competition from the casinos. And generally, the opponents expressed concern that this was an undesirable expansion of gambling that was not otherwise included in the ballot proposal. And I guess what I was looking for at the hearing was what impact electronic keno would have on the incidence or the amount of keno play. I was trying to decide if it was going to make much difference either way. And I'd say a similar question was asked by several committee members of the testifiers. In essence, what impact would electronic keno play have? And the answers ranged from I believe it will help mitigate the impact of these casinos. My observation, as-- is that it would help. Another testifier said, it's hard to quantify the benefits, and another testifier said, well, I just can't imagine it wouldn't help. And another testifier said, well, I don't know there is a way to quantify this for sure. And in fact, a proponent from Bellevue testified that their keno revenues had actually gone up since the Iowa casinos went in fifteen to twenty minutes away, several years back. And when asked if we're speculating as to the beneficial impact of electronic keno for the keno operators and the cities, one proponent admitted, yes, yes, we are speculating. And so no one at that hearing presented verifiable data or studies relative to the impact of electronic play. And no, we're not changing the frequency of play. The five-minute rule

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

is still going to be in effect and no one's proposing we change that. So, so what was my take away from that hearing? To me, it confirmed a couple of beliefs. First, the benefits to the industry and to keno from electronic play is speculative, not really supported by verifiable, quantifiable data, only by conjecture. And second, the speculative nature of this also kind of confirmed my belief that this may-- is not really an expansion of gambling in our state and if I believed it was, I wouldn't have had it in here to begin with. But there is a perception out there that this is an expansion of gambling beyond the ballot proposal. And out of respect for that perception and the lack of verifiable data that this will help the industry, I decided to pull the keno portion and that's what Section 1 of AM-- of my amendment does and that's what we're talking about here. I'd like to keep that in place. I support AM982 in order to keep that in place and I would suggest to those that support Senator Cavanaugh's amendment that it is better suited or-- better suited to be brought next year as a separate bill or as part of a keno package. It can get a hearing that way. It'll get Execed on. But today, I think electronic keno's inclusion into LB561 jeopardizes LB561. And I submit to you that LB561 is too important to the responsible implementation of the ballot proposal to risk its future with the keno amendment. So I would ask for your support of this amendment, which would strike the provisions relative to electronic keno. Thank you, Mr. President.

HILGERS: Thank you for your opening, Senator Briese. Debate is now open on AM982. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you. Thank you, Mr. Speaker. I rise in opposition to AM982. And I would just reiterate, I guess Senator Briese's comments that I have tremendous respect for him and the work he's done on LB561. And the reason I'm opposed to LB982, which, to be clear, a-- a up vote, a green vote of LB982 would strike the electronic geofencing keno from the bill. So I'm opposed to it because I think we need to keep the electronic keno in the bill. And one of the reasons is and the reason I respect Senator Briese's work on this and the reason he and I have been on the same page about this is because LB561 is an attempt to grapple with the-- to deal with the passage of the ballot initiative, expanded gambling in the state of Nebraska. And what that bill, those amendments, ballot initiatives did not fully grasp, fully take into account the regulation or also the other consequences. One such consequence is that it will decrease revenue for keno. And at that hearing that Senator Briese talked about, we did have a number of cities come and testify at how-- about how important keno revenue is to them. One such city was the city of Ralston, who expects to lose at least 10 percent. They're right down the road from

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

an expected casino facility at the Horsemen's Park. I circulated a copy of the Attorney General's Opinion that was requested on this case and I just would draw your attention to the conclusion of that Opinion. Basically, the Opinion finds that by allowing a digital ticket would not change the nature of keno and take it out of the lottery system. Additionally, by allowing use of debit card to pay for those would not affect that as well. But the one part I really want to draw your attention to is that the Attorney General's Opinion finds that the expanded casino gambling will allow for keno on site at those casinos and that keno will not be regulated by the state lottery system, which means that those could be done in less than the five-minute increments, meaning they could be faster. There could be more games, which means that they'll be even in more direct competition with the keno parlors that we're talking about. So the reason I think that we need this keno expansion, why it's related to the regulations in LB561 is because keno is going to lose revenue. There is no question about that. The question is how much? And this is a fund that a number of communities have relied upon over the last 30 years to do a lot of great projects, tax relief, policing, parks, in communities all over the state of Nebraska. And when-- if we do not help those weather the storm of this expanded gambling, then they're going to lose the necessary revenue and they're gonna have to find it someplace else. So I'm asking you to vote no, red on LB982 and keep this digital purchase of keno in the bill. And to be-- just to remind everybody, this is-- the facilities are going to have a geofence, meaning you'll have to be inside the facility using a digital device with an app and that you will be able to buy with your-- your debit card, but not with a credit card. So it's still relatively constrained. It's not going to change the time limits on these games or any of those other things. It just is going to change how people purchase the ticket. And so with that, Mr. Chair, I would yield the remainder of my time. Thank you.

HILGERS: Thank you, Senator Cavanaugh. Senator Blood, you're recognized.

BLOOD: Thank you, Mr. President. Fellow Senators, friends all, I really hope everybody is actually listening to the debate. I do stand against AM982, but in support of the underlying bill, if amended correctly. You know, in 1990, this body saw fit to move forward with keno. And one of the things that they did really well when they decided that was to make sure that those funds went to community betterment. Now, the voters have told us that they do want to expand gambling and they want casinos. And I understand that we think that that's not the same thing. I respect that, but here's what I want you

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

to think about. Is there anything that moves forward nowadays without technology, anything? I think we're looking at this as wrong. This is just the nature of the beast. This is what happens next in keno. Just like now, we have computers that we carry in our hands. Who would have thought that 20 years ago? Not anybody in this room, including myself. We can't look at it as expanded gambling, we have to look at it as a next natural step. I can tell you that in Bellevue alone in just the last decade, \$7.5 million in our community betterment fund from keno. Now we talk all the time about mental health on this-- this floor, but yet we never find really creative ways to fund the services that are needed. And that's a big issue in Sarpy County and you've heard Senator Arch talk about the creative ways the county are dealing with the mental health issues in Sarpy County. In Bellevue, one of the ways that we help people when it comes to domestic violence is we fund those programs through community betterment. Let's talk about some of the communities around Nebraska: \$1.6 million in Lincoln went to parks; \$878,000 in Lincoln went to libraries; Human Services, \$190,000; Norfolk, Nebraska, \$312,500 to the Norfolk Family YMCA; \$234,000 for park expansion-- expansion; \$125,000 for Miracle Skate Park and landscaping, trail development; river rehab, drainage. See, just think what this would cost in tax dollars, guys. We're trying to lower property taxes. We have some solutions right here. We want to get rid of the added benefit of possibly keeping keno dollars strong so our communities can do good things. Omaha, Ameritrade, ballpark, \$2.5 million to pay down the bond; Henry Doorly Zoo, \$2.2 million; Nebraska Humane Society, police cruisers; target Omaha, solid waste collect disposal and clean up Omaha; protective custody through Catholic Charities, by the way; Hannibal Park, water, Beatrice, \$275,000; \$97,452 in Fremont for a splash pad, Senator Walz; Beatrice, Hannibal Park, water park trail project, \$275,000; band instruments in Blair, Nebraska; park improvements, \$25,000, in Blair, Nebraska. The list goes on and on and on. Some of the same people that are opposing this today are the ones that are going to push us to say that it's local government raising your property taxes and we need to cap it and we need to put a stop to it. OK, I can respect tha and I'm likely going to disagree with you when those bills come forward.

HILGERS: One minute.

BLOOD: But what I'm telling you right now is that this is how cities get it done and whether you like it or you don't like gambling, this is the next natural step. This is about technology. This is not about expanding gambling. This is what happens when we move forward decade by decade. And we are going to lose community betterment funds because the casinos. Again, as we move forward, technology changes. We lose

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

those dollars and what do you think happens tax wise? This is something we have control over. And shame on us for not having the foresight to understand that technology is the next move and that the safety features are-- are put into place. I think I have like two seconds left. Thank you, Mr. President.

HILGERS: Thanks, Senator Blood. Senator Clements, you're recognized.

CLEMENTS: Thank you, Mr. President. I stand in support of AM982. I am thinking that there are keno dollars that are coming in, but I think they're being paid by people, many people who can't afford them. It's a regressive tax. Gambling is in general, to me. This was not part of the ballot initiative and I think it does hurt the possibility of passing the bill, LB561, as Senator Briese has said. Then the electronic geofencing is still going to be subject to hacking. We got major companies and U.S. government electronics being hacked and the geofencing, I'm not sure that it's going to be that ironclad. And even then, if that does work, keno is going to be in to-- in a bar where minors are with their family, probably. And that cell phone could be used by the minor who shouldn't be gambling and be able to place keno bets with their parent's phone, even maybe without the parent knowing it. And so I think there's a danger there for a minor to be gambling when they should not be. And so that's why I support AM982 and I would urge your support. I think the electronic portion of this should be removed. Thank you, Mr. President.

HILGERS: Thanks, Senator Clements. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. I-- colleagues, I just rose again just to clarify the point-- I've had a few people with the question, so I'm against AM982, so I'm asking people to vote red on AM950-- AM982 because it would strike the language that allows for this digital type of keno. So if you are-- if you want to keep the keno amendment that would allow for this type of digital keno, you have to vote no on AM982. That seems like a small use of time to say that, but this is a confusing double negative point. But I just want to make sure everybody understands that if you want keno to be part of LB561, you need to vote no on AM982, so thank you.

HILGERS: Thanks, Senator Cavanaugh. Senator Blood, you're recognized.

BLOOD: Thank you, Mr. President. I definitely don't want to speak on this all day, but again, I am opposed to the amendment and in support of the bill. I talk a lot about municipalities because that's my background. That's what I know. And I like to talk about technology,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

too, because I don't think that we're as forward thinking as we could be when it comes to this body and moving towards technology. I think we leave a lot of money on the table. But with that said, we talk about things like geofencing sometimes on the mike when we really don't have a clear understanding, but yet we look the other way when we have fraud being committed in our own state when it comes to unemployment insurance. Nebraska's lost hundreds of thousands, if not millions of dollars to-- to fraudulent claims and I don't see anybody on this floor up in arms about that. But we're worried about technology that's been proven for a location that is already participating in keno. We don't seem to be worried that if we don't address this, that the casinos are going to take it over and we can pretty well kiss community betterment money goodbye, knowing that that is going to make every municipal budget that participates in keno and community betterment struggle. But hey, we'll just make it harder for them and-- to try and figure out how to balance their budgets and provide services and eventually there will be a vicious cycle of people not getting the services they need, like snow removal and garbage removal. We'll start taking funds away from those great community programs that provide activities for kids in the summer in parks like the-- after-school program that they did in Lincoln that was a STEM program for kids because why would we want to keep kids out of trouble in the summer? It's not like they might get in trouble and eventually end up in prison. Oh, but wait, we're going to fund the prisons. That's how that works. OK. So let's-- let's really, truly look at the big picture. I-- there are things that I don't believe in that I don't necessarily share on the mike, but I might vote for because I know the people in my district support it and I know the people in my district support keno and they definitely support the community betterment funds. The community betterment funds are going to go away if we cannot allow for keno to utilize digital technology. Because if we don't do that, the casinos are going to take it over and then you can kiss those funds goodbye. And if you kiss those funds goodbye, then you're going to create a bigger burden on the municipal budgets and then where are we going to be? This isn't a matter of whether you're for or against gambling. This is just common sense. And let's be honest, the anti-gambling group, even though they're getting very, very, very, very old, is very strong in voice. But that also tells you something right there too. The people that we're hearing that are against gambling are not the people that utilize this type of technology and so there's not a keen understanding on their part as to why it's important. I know why it's important. It's important because I don't want the casinos to take over the keno because our municipalities need those funds and they're going to start losing funds anyway with the casinos coming in. So it's going to be a double

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

whammy. I know that it's not the boogie man we think it is. It's just the next natural step in the process. To frame it as anything else is ridiculous. We've already had a hearing on it now and we have Senator Briese, as you know,--

HILGERS: One minute.

BLOOD: --talked about this before in General Affairs. We have talked about this in General Affairs before. And so I just ask that people really take a step back and look at the real picture and not whether they like gambling or don't like gambling. This needs to be done. And I ask that you vote red on the amendment and green on underlying bill and so we can move forward and not be here until 10 o'clock tonight. Thank you, Mr. President.

HILGERS: Thanks, Senator Blood. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. Speaker. Good afternoon, again. I rise in support of AM982. And as I listened to Senator Blood's comments, I would think that the state of Nebraska hardly can exist without keno. It is a voluntary tax that I choose never to pay. And so all those issues that she said they use keno to support, some of those are the result of people gambling that shouldn't gamble, as Senator-- Senator Clements had pointed out. So this is not the next step. I mean, we can continue like we are. And so I'll be voting for 2-- for AM982 and I was wondering if Senator Briese would yield to a question.

HILGERS: Senator Briese, would you yield?

BRIESE: Yes.

ERDMAN: Senator Briese, when you had the hearing last week or whenever it was, I noticed at the bottom of the committee statement that a neutral position was taken by the professor, Senator Schumacher. Can you briefly maybe describe for us what his opinion was, why he was neutral?

BRIESE: No, I can't really describe that at this point, but I can provide you with that letter. I have a copy of it here if you'd like to see it.

ERDMAN: OK, that surprises me because he owns several casino-- keno establishments across the state, and I would have thought he would have an opinion other than neutral. But as we move forward here, as you said in your opening, if they think that's important, they can bring a bill next year and implement that. I think there's issues that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

they have with if you have your device open and you step away from your phone and your children are with you or somebody else, they could sure use that to play keno. There's issues, I think, need to be dealt with and I think AM982 is-- is addressing those and I appreciate you bringing that. But keno is not the answer to all of our property tax problems and all the other issues that we face in the state of Nebraska. As I said earlier, it's a voluntary tax and people can choose to pay it or not pay it and I choose not to. So I'll be voting for AM982. I don't know that I'll vote for LB561, but AM982 does make it better. Thank you.

HILGERS: Thanks, Senator Briese and Senator Erdman. Seeing no one else in the queue, Senator Briese, you're welcome to close.

BRIESE: Thank you, Mr. President. I appreciate the discussion, great discussion. And I appreciate Senator Cavanaugh, his passion for this issue. And I appreciate him clarifying what a red or a green vote means here. You know, some suggested, you know, we really need this. But again, it was not part of the ballot. There's no real data to suggest electronic keno is going to be of much benefit to the participants, to the industry. And we've got to remember, it's going to take 33 votes on Final to get this across the finish line because we have changed some ballot language here and we do not need a hiccup on Final and I think that-- personally, I think that the inclusion of electronic keno here could create some hiccups. And again, I appreciate Senator Cavanaugh's position here, but again, Senator Cavanaugh or others could bring bills designed to do something similar, if not more, next year. We can have a hearing, we can Exec on it, and we can go down that road with separate legislation. So I would encourage everyone's green vote on AM982. Thank you, Mr. President.

HILGERS: Thank you for your closing, Senator Briese. The question before the body is the adoption of AM982. All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is shall the house go under call? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: 27 [SIC 29] ayes, 3 nays to place the house under call, Mr. President.

HILGERS: The house is under call. All unexcused senators, please return to the floor. All unauthorized personnel, please leave the floor. The house is under call. Senator Briese, do you request a roll call? A roll call vote in regular order has been requested. Senator Stinner, Senator Wishart, please return to the floor. The house is

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

under call. Senator DeBoer, please check in. Senator Briese, Senator Groene also is on his way. All unexcused senators are now present. A roll call vote has been requested in regular order. The question before the body is the adoption of AM982. Mr. Clerk, please call the roll.

CLERK: Senator Aguilar not voting. Senator Albrecht voting yes. Senator Arch not voting. Senator Blood voting no. Senator Bostar voting no. Senator Bostelman voting yes. Senator Brandt voting no. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Day voting no. Senator DeBoer not voting. Senator Dorn voting yes. Senator Erdman voting yes. Senator Flood voting yes. Senator Friesen voting yes. Senator Geist voting yes. Senator Gragert voting yes. Senator Groene voting yes. Senator Halloran voting yes. Senator Ben Hansen not voting. Senator Matt Hansen not voting. Senator Hilgers voting yes. Senator Hilkemann not voting. Senator Hughes voting yes. Senator Hunt voting no. Senator Kolterman not voting. Senator Lathrop voting no. Senator Lindstrom not voting. Senator Linehan voting yes. Senator Lowe voting yes. Senator McCollister not voting. Senator McDonnell voting no. Senator McKinney voting no. Senator Morfeld not voting. Senator Moser voting yes. Senator Murman voting yes. Senator Pahls voting no. Senator Pansing Brooks not voting. Senator Sanders voting yes. Senator Slama voting yes. Senator Stinner voting yes. Senator Vargas not voting. Senator Walz not voting. Senator Wayne not voting. Senator Williams not voting. Senator Wishart not voting. 22 ayes, 11 nays, Mr. President, on the amendment.

HILGERS: The amendment is not adopted, I raise the call. Mr. Clerk, for an amendment.

CLERK: Mr. President, we're back to the second component of the committee-- well, I'm sorry, it's a component of the committee amendments, AM89-- or AM983, Senator.

HILGERS: Senator Briese, you're recognized to open on AM983.

BRIESE: Thank you. Thank you, Mr. President. AM983 contains the balance of AM863. So what does it do? First, Sections 2, 5 and 8 of AM863 eliminate the directive language. As we talked about last time, the rulemaking process is going to be extremely important to the implementation of these racetrack casinos. And normally this process would be under the auspices of the APA, the Administrative Procedure Act, but the Administrative Procedure Act can be a slow, cumbersome process. And the original language in AM560 and then AM426 to LB561

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

and now on the E&R amendment allows the Racing and Gaming Commission to use directives to issue guidance. It would have circumvented the APA in an effort to expedite the process. I put that language in there to keep the process moving, but I have to admit that I wasn't entirely comfortable with that language and nor was Speaker Hilgers when we debated this last time. And I think Senator Cavanaugh, I recall, expressed some concerns about bypassing the APA and using these directives at the hearing. So in an effort to respect the traditional process, AM863 pulls this language out of the bill-- in AM983 would. In the-- under this amendment, the APA would be the process that would be used. Next, AM983 clarifies some things that Senator Lowe brought up on the floor last time regarding what competitions can be wagered on and I want to thank him for bringing some of those issues to light and those are issues that a lot of other states and jurisdictions have struggled with. My original language defined and authorized sporting event in Section 33 of the E&R amendment to not include any event in which any participant is under 18. As Senator Lowe pointed out, that language can be problematic. So with this amendment and currently reflected in AM983, we clarified the language to exclude any competition at high school level or below or anything else excluded by the commission. It simply sets a more definable standard of what types of events can be wagered on. Next, AM983 adds language in Section 33 of the E&R amendment to prohibit certain individuals from placing bets. These individuals include agents of the better, athletes, coaches or players, trainers and others and I think this is a reasonable safeguard and one that can be tweaked further by the commission as they deem necessary. And it's my understanding that many states utilize similar language. Next, it removes language that excluded from sports wagering, a wager on an international event in which an athlete is under 18, which is also found in Section 33, and replaced it with language which prohibits in-game wagers on Nebraska games, games of Nebraska colleges, prohibits prop bets on athletes under the age of 18 in international or professional competition and anything else the commission decides to exclude. And these items are similar to what is in place in Iowa and I presume several other jurisdictions. And the prohibition here on in-game wagers on Nebraska games really gets us a little bit closer to some of the concerns expressed to us by Senator Pansing Brooks last time. And I think it's a reasonable compromise, a reasonable place to land relative to her concerns on betting on in-state teams. And again, the language defers to the commission on some of this. They can tighten it up further if they-- if they see fit. And next, AM983 originally and AM863, requires the commission to require a licensee to demonstrate an ability to restrict credit card transactions. And I think most of us agree that we don't want to encourage use of credit cards in this environment. So

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

I believe this helps to ensure that that is the case. So I do think AM983 addresses the issues that were brought up last time and I think it's a good resolution of those issues and I would urge your green vote on AM983. Thank you, Mr. President.

HUGHES: Thank you, Senator Briese. Debate is now open on AM983. Senator Hilgers, you're recognized.

HILGERS: Thank you, Mr. President. Good afternoon, colleagues. I rise in support of AM983 and I do-- because I said a word on General File, I want to make a quick remark on Select File. Appreciate Senator Briese's work on this. If you recall this-- the original bill, as it came to the floor at least on General File, would have modified the regulatory structure so that when they actually went and created new rules, it would not have to go through the APA process, which I think was a pretty significant deviation and one in which I think I certainly did not support and would not have supported if it got-- if it remained in the bill. So AM983 pulls that piece out, as Senator Briese said, and so the net effect of AM983, if it passes, is that it will-- the rulemaking structure will do-- will go back under the APA like every other agency would have to operate under. And so I think this is the right approach and it's-- I appreciate Senator Briese for working with me on this and pulling it out ultimately. So I'd urge your green vote on AM983. And again, I appreciate Senator Briese's work. Thank you, Mr. President.

HUGHES: Thank you, Speaker Hilgers. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. I just want to rise in support of AM983 and just reiterate Speaker Hilgers' comments about Senator Briese's work on this. This amendment just tightens up the bill and does solve that problem with the Administrative Procedure Act. So I just want to rise and say that I'm in support of AM983 and that I do think it makes LB561 better and I'd urge your green vote on AM983. Thank you.

HUGHES: Thank you, Senator John Cavanaugh. Seeing no one else in the queue, Senator Briese, you're welcome to close on AM983. Senator Briese waives closing. Colleagues, the question before us is the adoption of AM983 to LB561. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

CLERK: 39 ayes, 0 nays, Mr. President, on the adoption of AM983.

HUGHES: The amendment is adopted.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

CLERK: Mr. President, Senator Pansing Brooks would move to amend with AM807.

HUGHES: Senator Pansing Brooks, you're welcome to open on AM807.

PANSING BROOKS: Thank you, Mr.-- Mr. President. Members of the body, AM807 simply prohibits sports betting on in-state collegiate sporting events as part of the Nebraska Range-- Game Track Gaming-- Racetrack Gaming Act. I did not go so far as banning betting on all in-state teams, just in-state sporting events. You may recall that I raised this issue on General File. I believe that betting on Nebraska college games in state is harmful to our kids and harmful to the integrity, passion and fun of our college sports. Most of the other states that have allowed sports betting have concluded the same thing. This isn't just some little whim that I had, which people tend to think as I talk to you about it. In fact, of the 22 states that have passed legislation authorizing sports betting, 13 of them have prohibitions against in-state collegiate sports betting, including ever betting on your team, whether it's in-- in state or out of state. These states, and you will-- you have them on a handout that I passed out to you. They include Arkansas, Delaware, New Jersey, New Mexico, Rhode Island, New York, Iowa, Oregon, Indiana, New Hampshire, Illinois, Virginia, Washington. There are nine states that have no prohibitions. And as other states take action on sports betting in the coming months and years, there will be-- no doubt be more that will set prohibitions to betting on in-state sports teams. I wanted to bring an amendment that said no betting on any in-state collegiate team. Instead, I found a happy medium, happy for some, not exactly happy for me, but basically says that you only-- if-- if you're going to bet on the Huskers, you can only bet on them when they're playing out of state. You cannot bet on the Huskers if they're playing Texas in Nebraska. If they're playing Texas in Texas, then you can go ahead and bet on them. Part one of my-- my decision about this is we have the number one fans in the country. We all know that. Everybody knows that the Nebraska Cornhusker fans are the best fans. And that's in-- in spite of the fact that people get passionate and geared up and excited about the game, people in the state come together over our Nebraska Cornhuskers, but that's a lot of pressure on the kids no matter what. And then you add betting and margins and spreads on top of the passion of football and you've just added a lot to the game and a lot of angst and hatred and-- and concern for our young athletes. These are kids. And again, I'm going to do whatever I can, as you all know, to stand up for kids. Allowing gambling on Nebraska sporting events will create new unnecessary pressure and risks for student athletes and college coaches in Nebraska. NCAA President Mark Emmert said, quote, sports

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

wagering is going to have a dramatic effect on everything we do in college sports. It's going to threaten the integrity of college sports in many ways unless we are willing to act boldly and strongly. Well, I'm sort of embarrassed because I don't consider this either bold or strong, but it is something. It is one way to keep our young student athletes a little bit less under the-- the pressure that is placed on people as betting is-- is would be placed on-- on them. As Tom Osborne has pointed out in previous testimony opposing sports betting, Osborne said, quote, So what you're doing is you're gambling on guys that are 18, 19, 20 and 21. And if they don't measure up to what some gambler thinks they should have done, social media will be all over them. And of course, it is already. I know many of you will say it's already all over them, but it will be all over them and it will be brutal. I used to get a whole box of letters and they were pretty nasty every time we lost one game. And I guarantee you that with the setup today, it will be pretty intense. An article I passed out from 2019-- that was an unquote. Meanwhile, an article that I passed out to each of you from 2019 with the headline, Gambler sends racist death threats to dozens of athletes after losing bets-- authorities, is just one illustration of added pressure that can be placed on kids as a result of this expanded gambling. Some of you are going to say it's already happening, but I argue strongly that if we don't do something, we don't have to make the problem worse. We can provide a reasonable limitation on sports betting to at least provide protections for kids attending college in our state. We can refrain from putting this added pressure on them. I would remind you that these kids do not receive wages for their athletic talents so it doesn't seem right to me that we would be allowing people to profit off them through sports betting. They are kids. And can you imagine the Husker stadium when-- when they're going-- when they're going to take a need to be polite to a team and the fans who have all bet on the spread are going to be booing and hissing because they're taking a need to be polite and our fans would be booing because they didn't make the margin or spread. I'm using my mom voice today. Stinner uses his linebacker voice, but today I'm using my mom voice. And I care about these kids. I care about how we treat them, the kind of pressure that they're already under and the kind of extra pressure that this would impose. Should we just start betting on gladiator games? We could start-- we can start having gladiator games. I'm sure we could get a lot of tax receipts on those. Kids face lots of pressure and giving one more reason for people to be angry with kids, in my opinion, is wrong. If the team or an athlete's-- a student athlete has a bad day, that's one thing but if people have then lost a bit, then that's a totally different situation. I love the integrity of the sport for the sport it is. Why every sport has to have another game to it, another level of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

competition on top of it, why isn't the passion of the game enough? Why isn't the fun of the kids working their hardest to get to the end zone sufficient or to get more balls through the hoops sufficient? Enabling a platform for every single thing to me is not appropriate. I'm worried about the kids. I don't understand why we can't enjoy Nebraska athletics for-- and Doane athletics and UNO athletics and UNK athletics for what they are. Enjoy the free passion and the-- and the competition. That's-- that's enough. If people-- yeah, I know people are going to go over to Iowa and bet. We know they're going to go ahead and continue to do that. So let them continue to break the law and go ahead and-- and bet. But why do we have to place this and change the entire tenor of the game so that people are not just yelling for their team, they're yelling for their pocketbook? That's unreasonable, friends. I really feel it's unreasonable. These are kids. I don't care about the pro teams at all. They're all making money. They're all older. That's no problem with me. But these kids-- these kids that are working hard to represent our state and all of a sudden, idiots in the stands are screaming at them because they aren't making the spread, they are making the margin. My friend, Senator Morfeld, has a very strong opinion about this, and I know you're all going to hear about it. And I'm getting teased for really not understanding the whole issue and that's fine. But I am a mom and I do understand kids and I will continue to fight for kids with every step in our Legislature, whether it's for lawyers for kids, because they aren't smart enough and able enough to have attorneys when they go into the courtroom, the juvenile justice system. Whether it's kids that-- that need people to be with them and walk their journeys, whatever it is, but kids out there doing their best on-- on the field or on the court, they don't need the added pressure of our dollars, intensifying--

HUGHES: One minute.

PANSING BROOKS: --the competition and intensifying the pressure that they feel in our state. I appreciate you all listening to this. And we need an up or down vote on this, in my opinion. Thank you very much, Mr. Speaker. And again, we are-- if we would impose this very minuscule prohibition, we would not be in the minority. Thirteen states have prohibitions. Why not Nebraska? Why not Nebraska? Protect our kids. Thank you, Mr. President.

HUGHES: Thank you, Senator Pansing Brooks. Senator Morfeld, you're recognized.

MORFELD: Thank you, Mr. President, and colleagues. It's not too often that I rise in opposition to something that my seatmate and colleague,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

Senator Pansing Brooks, brings, but I'm going to make an exception today because I do feel strongly about this. And Senator Pansing Brooks is putting on her mom's voice, but I want to put on the reality and the commonsense voice here. The common sense here is that this is not new pressure. This is not new pressure. Bets are being made every single day across the country and across the world on Husker football and other Husker athletic sports. It's already happening. We all know it. We all know people in this room that do it. It's not changing anything. All it's doing is making it so it's legal at casinos that are going to be placing hundreds and thousands of other bets across the state on other teams and making it so that they can collect that revenue so that revenue doesn't go to some company in Las Vegas, so that revenue doesn't go to some overseas company, so that revenue doesn't go to the casino in Iowa, which people will be able to place these bets. It doesn't make sense for me to be able to place a bet on a team in Nebraska when they're in Texas, but not when they're playing a game in the state. This is another instance of us chipping away at revenue on an activity that's already occurring and already happening. It doesn't make any sense. If you're opposed to sports betting and if you're opposed to casino gaming, that's fine, do not participate in it, but do not continue to chip away at funding and revenue that should be coming to our state but we're not allowing it to simply because we're trying to put on blinders on our eyes and pretend like something that is happening isn't happening. It's been happening for decades. It's been happening ever since Husker sports started in the 1800s. We might as well be getting the revenue and the proceeds that come from it so it's not at some casino across the river in Iowa or some casino company in Las Vegas. Colleagues, I understand that you may have a concern about the pressure that is on some of these students. I represent the University of Nebraska-Lincoln District. I also have that concern, but this is not new pressure. This amendment is not going to alleviate that pressure. The fans that want to bet on the Huskers before they go to the stadium, they're already betting on the Huskers before they go to the stadium. They're doing it in Council Bluffs. They're doing it in the comfort of their home. It's just money that's going elsewhere. And my preference is that if people are going to be doing this in Council Bluffs or they're going to be doing it on their couch at home or right before they go to the game, that the money come back to the state of Nebraska so we can invest it in our own people, in our own future, in our own communities that those athletes will hopefully be going back to after they're done at their time at their universities. I urge you to vote no against AM807 for all of the reasons I just stated and for the fact that this is not relieving any new pressure that's going to be created by LB561. It just simply is not. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HUGHES: Thank you, Senator Morfeld. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President, and members. What a treat. What a treat this is on a Monday afternoon after a strenuous session to have Senator Morfeld and Senator Patty Pansing Brooks at each other's throats two rows back. I'm just going to let it waft over and just enjoy it for a little bit. I-- I appreciate the discussion. I want to make a couple of points. One is I get that Husker sports are a big deal, but on Saturdays in the fall, there's towns like Wayne that are full of yellow and blue as Kearney comes to play the Wildcats. This state is bigger than the Huskers. I know it's sometimes difficult to accept. We are a vast, large state with lots of different teams and lots of different interests and lots of different people and not every single person is in Lincoln, Nebraska, at Memorial Stadium participating in the-- the exhibition of a football match between our state's flagship university and some other school. But I am with Senator Morfeld here. If we think that this amendment is going to help change anything, we are not dealing in reality. The reality is the voters of this state had a chance and they voted overwhelmingly in support of gambling when it comes to gambling at casinos. It's been happening across the river, as Senator Morfeld said, for a very long time and they've got some really nice expressways in Iowa, thanks to a lot of Nebraskans. This is-- this is a ship that has sailed. This is an issue that's been considered and voted on and the verdict has been rendered. And so while I appreciate where Senator Patty Pansing Brooks is, I am with Senator Morfeld and I am against AM807. Thank you, Mr. President.

HUGHES: Thank you, Senator Flood. Senator Matt Hansen, you are recognized.

M. HANSEN: Thank you, Mr. President, and I rise today-- I think I will ultimately be opposing the Senator Pansing Brooks amendment. I don't feel as passionately on this issue as either Senator Morfeld or Senator Pansing Brooks, but functionally, I wanted to put that on the record. What I did want to raise the point of and what I turned my light on for was this notion that sports betting is-- is attacking the integrity of the game. And specifically, there were some quotes from the NCAA and the NCAA President about the integrity of the game. Colleagues, I would like to remind you that the NCAA is getting, in my mind, much-needed scrutiny as towards whether or not their fundamental model makes sense and whether or not we are truly an amateur system and if so, how exploitative it is. There is a Supreme Court case that's going to come down this month and for those who listen to the oral arguments, a wide range of justices putting the NCAA under a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

microscope for a variety of reasons, notably the notion that consistently the amount of money that the NCAA and the coaches in the universities possess versus the fact that the student athletes aren't compensated, kind of fundamentally. And so when we talk about the integrity of the game, we talk about the integrity of college sports, I want to just remind people of that, that this is an evolving situation, that there are many states looking at the-- the problematic policies and procedures from the NCAA. I think Nebraska last year, under Senator Hunt, was the second state to pass a name, image, likeness bill, maybe the third. I think it's the third. Just this weekend, I believe Mississippi passed a name, image, likeness bill and these are fundamental things that the NCAA has prohibited for years, not even necessarily the ability to pay athletes, but the ability for the athletes to use things related to sports to make money. And, yes, everybody's thinking of the high profile, you know, star basketball player signing a shoe contract. But this is as simple as, you know, swim team member offering swim team lessons. And this is something that the NCAA has fought and opposed for-- for a long time. So we talk about the pressures that we put on student athletes. Keep in mind that there's many of these student athletes who need extra income and who are being denied so sorely-- solely, excuse me-- solely because of NCAA rules and guidelines that protects the NCAA's institutional power and the power and money for the television contracts and some of the administrators. That's where we're at and that's where we're at in this landscape. So I appreciate people having concern for athletes. I know some of the people who have concerns for athletes that are supportive of name, image, and likeness. This isn't necessarily calling out Senator Pansing Brooks, but I couldn't let just the NCAA stand as being the sole or sole-focus arbiter of what the integrity of the game is because the NCAA is rightfully under a huge amount of scrutiny in terms of how exploitative they are of college athletes. You know, Senator Chambers famously has been advocating for pay the players for many decades. And that's the way that more and more of the country is starting to look at. And if not an outright pay and outright payment from the university, from the team, at a bare minimum, making sure that they have the ability to earn an income outside of sports in what little free time they have. So with that, I will probably be opposing the Senator Pansing Brooks amendment and I will yield the balance of my time. Thank you, Mr. President.

HUGHES: Thank you, Senator Matt Hansen. Senator Briese, you are recognized.

BRIESE: Thank-- thank you, Mr. President. And good afternoon again, colleagues. I rise in opposition to AM807 and I really do appreciate

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

Senator Pansing Brooks' passion on this issue and her efforts in this regard and I appreciate her intentions here, but I am a little lost by the language of AM807. It appears to take "collegiate sporting event" out of the definition of an authorized sporting event under this act and, by implication, prohibiting any collegiate bets at all. And I don't think any state does that, that has sports betting, and it really does eviscerate the notion of sports betting. But if we disregard that pro-- that provision, I see that her amendment purports to exclude, "an in-state collegiate sporting event" and her-- her interpretation-- interpretation of that might be different than mine, but I read that to mean any collegiate game played in the state. But-- and I really do think only about one other state does that. My understanding is they're trying to change that, but again, I'm not certain of that. But I think either way, this amendment really puts us on an island. And, colleagues, many of us have fought the expansion of gambling on the floor of this Legislature in the past and we've fought it successfully. But we all do work for Nebraskans and when they speak, we must listen. And they spoke loud and clear on November 3 by a margin of 71 to 29 percent. They told us they want games of chance at casino racetracks. They told us they want them taxed at 20 percent and they want most of that to go to property tax relief, period. And to me, it couldn't be more clear. Sports betting is a game of chance. We have multiple AG Opinions that tell us that. And when Nebraskans signed off on games of chance, they signed off on sports betting at these casinos. I drafted this bill in an attempt to clarify what Nebraskans approved in November and to establish some reasonable parameters around this activity, but the parameters and limitations that were drafted into this bill are still consistent with what the voters approved, not an attempt to block what they did. For example, the amendment prohibits prop bets on Nebraska athletes, in-game bets on Husker games, prop bets on professional or Olympic athletes under the age of 18. And there is considerable precedent for each of those restrictions in other states, other jurisdictions. They are common restrictions in the industry and hence, and as such, those restrictions really are consistent with what the voters approved when they approved sports betting. We limit such betting to the casino itself and this is similar to what Iowa did originally and it's my understanding several other states have done the same. So that is a common restriction in the industry and so this also, I believe, is consistent with what the voters approved when they approved sports betting. But as I read Senator Pansing Brooks' amendment, it would have us prohibit betting on all collegiate sports and there's essentially no precedent for that. And-- and to-- and from my perspective, that's not consistent with what the voters approved. And I know it's not in her intention-- it's not her intention, but it

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

could be perceived or portrayed as an effort to thwart the will of the people and I'm not going to-- I'm not inclined to go there. I-- we have an obligation to implement the will of the people in a responsible manner and I think that's what the current amendment I've proposed does and I would urge your opposition to AM807. Thank you, Mr. President.

HUGHES: Thank you, Senator Briese. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. President. And I will stand in support of Senator Pansing Brooks. I guess my point is I-- I think it is a huge amount of pressure on these young athletes. OK, last session we paid-- we-- we passed a bill to pay them, right? Not pay directly for the sport, but they can earn money off their image or whatever it is. They can receive funding come to them because of their participation in whatever sport it is they have. If they can find a sponsor to come out and pay them for advertising, they can do that, right? So now what are we going to do? Now we're going to have people placing bets and who are those people placing bets, are-- are those businesses, are those people out there. So how does that get tied together as far as the pressure? Now, tell you what, there, player X, if-- if you go out and drop a couple passes this week or you-- you strike out or when you're on the pommel horse, you kind of fall off, or if-- if you're serving, you serve in the net a few times, hey, I've got this great deal for you. I've got great-- this is great sponsorship for you. So I do have a concern. I think Senator Pansing Brooks is headed in the right direction. If this isn't the right amendment to put on it, but I think there is one that should be because I think it does put-- provide a huge pressure, a huge pressure on our student athletes, again, student athletes, and people-- and those that are competing in the state. So if we're talking about those who now can get sponsorships, we'll call it, but now that sponsor says, you know what, I've got a lot riding on this game, hmm, how about you just-- just take a knee, drop the football, serve it in the net? When that strikeout, whatever that might be, you know, why don't you-- why don't you just give an escape during your match, let the other guy win, let the other person, let the other woman win. I think it could potentially bring a huge amount of pressure on that athlete and that's something that I don't think that we should allow. I think Pans-- Senator Patty Pansing Brooks is-- is on to a good point here and I do support her thoughts and the direction she's going with AM807, so I will support it with a green vote. But I also think we need to think about this a little bit longer because I don't think it's cut and dry. I don't. I think there is pressure out there that will come to-- to athletes and it's-- and it's

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

going to only increase because now we've got someone who's betting on your sport, your game, your match, whatever it is. You know, when you run, hit the hurdle this time, take a couple of seconds off your time, whatever it might be, those are things that we need to be thinking about. And that's why I think Senator Pansing Brooks has got the right idea here and I will support AM807. Thank you, Mr. President.

HUGHES: Thank you, Senator Bostelman. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President. Good afternoon again. I heard when Senator Flood stood up and said it was amazing that Senator Morfeld and Senator Pansing Brooks were opposite of each other. This will be more amazing for you yet. Senator Pansing Brooks and I are on the same page on this one. I understand what she's trying to do here. I do not believe that when that gambling petition was circulated, that the general public thought that they were voting or-- or signing a petition on sports betting. That may be a stretch. And so what Senator Pansing Brooks has described to you is something I think is important for us to listen to. I think Senator Bostelman reiterated that and did a fine job of that. So I appreciate that she had taken the time to write this amendment and it makes this bill better. And as I said earlier, I don't believe that those who voted knew they were voting on sports betting. So please vote green on AM807 and then you do whatever you want on LB561. Thank you.

HUGHES: Thank you, Senator Erdman. Senator Groene, you're recognized.

GROENE: Thank you, Mr. President. I'm looking forward to the day we have two-way traffic through the doors again, people can get to the floor a little quicker. I stand in support of AM807. Let's tell the truth. Nobody really thought they were voting on sports gambling when they voted for-- I never even heard the word brought up when discussions-- it was always casino-- casino gambling, Iowa has it. So if this is an effect of it, that sports gambling is part of it, fine, but I don't think 71 percent of the people who voted, that very few of them were thinking about sports vo-- gambling when they voted for it. Yes, it's legal. It's in the constitution, but we can put all sorts of restrictions on anything, voting, any of our rights, free speech and gambling. I just don't think we've evolved that far. You know, the folks who came before us, there was a reason they didn't allow betting on sports. Senator Bostelman touched on it. Nobody goes and bribes somebody to throw for 400 yards or to hit two home runs. The problem with sports betting is you can bribe somebody to not-- to strike out four times. You can-- you can bribe somebody to throw four interceptions. It's a negative effect on the player. That's where the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

bribery comes in. That's when the-- when problems start. But he's thinking, well, I'm going to bet he's going to throw 400 yards this day-- today. No, somebody else is saying, well, if I just go bribe that kid, his mom needs a new car, I know his family could use some money, and then he throws 250-- 250 yards and they lose. That is the problem with port-- sports betting. We can put a restriction on it. We could send a short message here: Don't gamble in the state of Nebraska on sports gambling. If you want to vote on-- gamble on some other team outside of this state, you go right ahead. But I wish you'd have made it completely for any college team in the state of Nebraska. If you want to vote-- bet on Tulane versus Duke, go ahead. But I full-- stand in full support of it. Corruption will happen. It always does when money is involved. Young people short of money will be tempted. Greedy, corrupt individuals will-- will approach them and it will happen. It's happened at the professional level and it can happen here and it will. There's-- you can't deny it. We haven't changed as human beings. If there's money involved, somebody will find a way to-- to make sure their odds are a little better. So it's just a short little message that Senator Pansing Brooks is bringing that, no, let's-- let's put a restriction. We have the authority as a Legislature to put restrictions. I don't know if we couldn't say nobody could bet on gambling unless they were 40 years or older. We probably could. We could probably say you can't vote-- bet on any sports except professional sports.

HUGHES: One minute.

GROENE: That would fit under the constitutional because we can restrict it. That's what Senator Briese did with his bill in the first place is restrict the area where-- where this could happen. So where does the restriction start and the con-- and the voter-- will of the people end? I mean, come on. This amendment is legit and I'm going to vote green on AM807.

HUGHES: Thank you, Senator Groene. Senator McKinney, you're recognized.

McKINNEY: Thank you. I rise in opposition of AM807 and I rise in opposition because I know we would like to believe that the Huskers are amateur athletes and they're amateur athletes, but that's not the truth. The university and NCAA are making millions of dollars off these kids every year under the guise of them being amateurs. But me, being a former athlete and me having friends that went to the university and other universities across the country, I know that their schedules aren't built around school or getting an education. Their schedules are built around the sport and I don't think we take

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

that into consideration. I also don't think allowing people to gamble on these-- on these sports is a huge issue because my-- for my whole life, I've always thought it was legal. You know, I've known people that gambled on the Huskers my whole life and many of you do too and may not want to admit it. You probably have before. And if somebody could show me some data that athletes are taking bribes at a substantial rate, I would-- I would be surprised. We don't-- it-- it's rare you hear about an athlete taking a bribe. I don't think it happens as much as we would like to speculate. These athletes aren't amateurs. They're professional athletes, in-- in my opinion. They're going to start getting paid anyway in-- in the next couple of years, if not next year. That's-- that's the thing. I know we-- we would like to protect the athletes and think that they're students. But when you turn a camera to these individuals and the NCAA and the university is raking in millions while these kids, a lot of kids, especially kids that come from the inner city, go-- go play these sports and go back home and still poor and their families are still poor. And they got to eat noodles for breakfast, lunch, and dinner while the university presidents and the NCAA presidents and board of governors are taking in millions while these kids have nothing. And when they get hurt, nobody-- there's no insurance policy for athletes that says, oh, former Husker athletes that get hurt can get this compensation if you tear an ACL because you're not going to go to the league anymore. If we really are thinking about the athletes, those type of things should be in place because no athlete should starve, but they do. No athlete should be exploited for millions of dollars and have to go back home and worry about a meal or the lights being off. I don't honestly think this is an issue. I don't think it'll be an issue. I know Senator Pansing Brooks has the best interest of the student ath-- of the athletes at heart, so I-- I respect that. But I also think that, you know, when we-- we get up here and talk about finding ways to decrease the prison population or finding ways to better fund our educational system and things like that, this is a way. I know we may not like it and we may want to live in the 1960s in some cases, but this is a way to do it because when there's other bills that come up, they're-- they get opposed that would fund education or inner-city communities. So this is a way. It's not perfect. Nothing is perfect. Life isn't perfect. There's-- there's always going to be a negative to anything in life. I don't care what it is, how perfect it may seem, but I'm always in support of the athletes and, you know, I don't think this would harm them.

HUGHES: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

McKINNEY: Also, I-- I just believe that we should find any way as a state to bring in revenue that we're losing, especially because we have the issues with property taxes, we have the issues with TEEOSA and things like that and I think this is a way. It's not a perfect solution. There's no silver bullet, but this is-- this may help and-- thank you. I yield the rest of my time.

HUGHES: Thank you. Senator McKinney. Senator Ben Hansen, you're recognized.

B. HANSEN: Thank you, Mr. President. I want to get up here and reiterate a lot of the stuff that people who are in favor of this amendment have already spoken on. And I normally have supported Senator Briese's effort to define and put appropriate regulations and definitions on sports gambling in the state of Nebraska because that's what the voters passed and that's what they voted on last year. So I appreciate his effort in trying to corral all this information when it comes to-- to gambling in the state of Nebraska, and I have supported him on most of it; however, there are some aspects of gambling in the state of Nebraska that I do have heartburn on, this being one of them. Gambling on our youth in-- in colleges in the state of Nebraska does give me some heartburn, similar-- I had heartburn also, as well, when we had-- when we were deciding whether we're going to pay student athletes as well. This kind of falls in line in that-- in-- somewhat in that same aspect. And so somewhat on more of a point of clarification, I was hoping that Senator Pansing Brooks would yield to a question, please.

HUGHES: Senator Pansing Brooks, will you yield?

PANSING BROOKS: Yes, I will.

B. HANSEN: So I see the handout that you gave us about certain states that have passed legislation similar to what you're trying to accomplish here.

PANSING BROOKS: Yes.

B. HANSEN: And it looks like a majority of states so far that have passed or legalized gambling in their states have tried to do what you're trying to do, so--

PANSING BROOKS: Thir--

B. HANSEN: --I don't know if you could just--

PANSING BROOKS: Thirteen of them.

B. HANSEN: Thirteen of them, Iowa being one of them, to some extent, I mean, what you're trying to do, along with Indiana, Illinois, and numerous other states. And so I do appreciate your effort and what you're trying to accomplish here and I am in support of AM807 because I think it is right. And we never-- we never pass a law in our state because we're going to make more money off of it. I think philosophically that's incorrect. We pa-- we pass a law because it's just, because we think it's right. And so I know some opponents of this amendment come up here and talk about the amount of money that our states could be making off of expanded gambling and the revenue, and I never think that's an appropriate reason to make a law. Otherwise, we can-- we can legalize a whole bunch of stuff if we wanted to, to make money in our state. But we-- but we make something legal because we think that's right; that's the state's right issue at the core of our philosophy in our nation. So I do support the amendment and I hope my colleagues will as well, AM807. There are some times we do have to put guardrails in place when it comes to gambling in the state of Nebraska and I think this is an appropriate venture that Pansing Brooks is-- Senator Pansing Brooks is trying to accomplish. So didn't want to take too much of your time, just wanted to give my two cents, so thank you, Mr. President.

HUGHES: Thank you, Senators Ben Hansen and Pansing Brooks. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. President. Student athletes, student athletes, that's what we're talking about. They get an education. They go to college for an education. They get scholarships, room and board, all their meals. They get injured, doctors perform the surgeries, they take care of them. They receive a lot of compensation, more so than every other student at that college or university. It's not that they don't go away with nothing, if they so choose, but if you go to the University of Nebraska, since we're talking about University of Nebraska, what do they brag about when you talk about athletics? Academic All-Americans, Academic All-Americans. It's about the education. So it-- it's about the student and the pressure that's going to be put on these students above and beyond what they are already underneath. What Senator Pansing Brooks wants to do, I think, is-- is correct. AM807 I do support. These student athletes are there for an education and that education, if you will, in some cases, is paid-- paid for by the scholarships that they receive to play a certain sport or attain some other-- some other, I don't know, whatever they get a scholarship for. But there's a lot of-- there's a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

lot of people there that do research and that, that get paid nothing. When they do their doctorates and that, they get paid nothing. You have nurses that go to the college and university and they get paid nothing for what they do and the research they do. And others at the university get paid nothing for their-- what they do. They have to pay for their education. And then the research they do, the university or others take it and make money from that, but they don't get any money for it. They have to pay. So I think it's a little bit unfair to say that they receive absolutely nothing when they leave the university; if they do, that's something that they brought upon themselves. The university gives them a great education, a great opportunity. They give them tutors. They give them all the-- everything they need to succeed. And if they're so fortunate to be blessed with the gifts in that sport enough to go on to play professional, good for them, and they make millions doing that. So I want to come back to what Senator Pansing Brooks is talking about. It's about the student athlete and it's about that betting on that student athlete. That just-- it-- it brings too much to bear, is what I think. Maybe that's not the right term, but it-- it brings-- brings the wrong light into what student athletics should be. Are we now going to start betting on whether or not a certain student passes or fails a test? Is that the next thing we're going to do? Are we gonna-- if you get your-- if you go to your dissertation for your doctorate, is that going to be good enough? Or I'll go back to what I was saying before, hit the ball in the net--

HUGHES: One minute.

BOSTELMAN: --strike out, take a knee, fumble. You do that, I got an advertisement for you. I got \$500,000. I got a-- I got a deal for you, just do this one thing for us. And if you don't think it doesn't happen in-- in-- in professional athletes, professional athletics, I think-- I think you're ignoring the reality because those things have been proven and shown. So I su-- I support Senator Pansing Brooks and I appreciate her bringing this amendment to the bill. And I'd ask you all to vote green on AM807. Thank you, Mr. President.

HUGHES: Thank you, Senator Bostelman. Senator Briese, you're recognized.

BRIESE: Thank you, Mr. President. And just so we're clear here, as I read AM807, it would prohibit bets on all collegiate sporting events. And I don't believe there's any other state that allows sports betting that does that. We'd be on an island with that provision. I think it eviscerates the concept of sports betting and it runs counter to what the Nebraska voters put in place as a matter of law. And so, again, I stand in opposition to AM807, but a-- and again, I appreciate Senator

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

Pansing Brooks' passion on this issue and her intention on this issue, but I don't agree with the direction that takes us. Thank you, Mr. President.

HUGHES: Thank you, Senator Briese. Senator McKinney, you're recognized.

McKINNEY: Thank you. I just wanted to say that athlete students are not taken care of like we think. They walk away with debt, but the school made millions, but they walk away with hundreds of thousand dollars of debt. But the schools and the NCAA walk away with millions. But athlete students walk away with debt. Let's not forget that. They have medical bills that the university doesn't pay for because most of the time you have to get insurance and hopefully you do get a scholarship. Most athletes don't get a full scholarship. They may get a partial and have to take out loans. Let's not forget that. They are athlete students. Their schedules are built around football, wrestling, basketball, and whatever else sport they play. And I agree. Doctors that are doing research or medical students, if they do some type of groundbreaking research, they should be paid too. I'm-- I'm not against that. But to just say that they-- they are taken care of by the universities in this state or across this nation isn't completely true. We-- we have a coach that is the highest paid pu-- state employee while the athletes don't get anything. But we have a losing record every year. I-- I-- I'm just saying we-- the-- the whole student athlete thing is a myth. It's been a myth since Sena-- way back when Senator Chambers was fighting to get them paid. They are athlete students. And if we're going to talk about protecting them, let's really talk about it because we're not currently. If we're going to protect them, let's make sure the communities that they come from have the resources that they need if we're going to protect them when they go back home. Let's-- let's-- let's talk about it. We're not taking care of these athletes as a state, as a whole. There are some that we do and some that we don't. But they are athlete students and I just want to keep repeating that. They accumulate a lot of debt and the schools bring in millions and the NCAA do too. Now if they-- we-- we could write something in where every student athlete doesn't leave with student loan debt or medical bills because they tore-- because they tore an ACL because they wanted to put on a show for Husker fans at Memorial Stadium, let's do it. But we don't take care of them like that and the stories are out there. They're athlete students and I yield the rest of my time.

HUGHES: Thank you, Senator McKinney. Seeing no one else in the queue, Senator Pansing Brooks, you're welcome to close on AM807.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

PANSING BROOKS: Thank you, Mr. President, and thank you all today for this discussion. I think it's been a positive discussion. Not one of you has changed my mind, no matter how passionate it is. I, of course, think that student athletes need to get better coverage of-- of their payments. I believe-- I support paying student athletes, but that's not the issue. This issue is about young people and the pressure that's put on. You know, I want-- I want to thank Senator Bostelman for mentioning that-- you know, how important it is that we're talking about kids. He used his dad voice and I'm using my mom voice. I appreciate that. And I want to thank Senator Erdman because he said it's a stretch to say that the voters voted on sports betting. I totally agree with him. There was nothing about sports betting. And even one of the main proponents of the initiative said, no, this is not about sports betting. And I've got the newspaper article so I can show you that if you want. So now, all of a sudden, it is about sports betting. Gosh, why in the world would we even consider changing this? I want to thank Senator Groene as he mentioned you can't bribe somebody to do better, but you can bribe somebody to do worse. That's a really good point. You can bribe somebody to fall down, to, oh, not quite make a catch, not quite catch the-- or hit a free throw. And I-- I don't know what Senator Flood was talking about. I know-- I purposefully mentioned UNK, Doane, UNO. Clearly, there are other schools than the University of Nebraska where student athletes are affected. Senator Briese, I-- I resent the mischaracterization that he made that this urges that no-- that-- that no wages are allowed on any state colleges at all. That's just baloney. How-- how do you-- how do you define the word "instate" that is in my amendment, Senator Briese? And just because other states don't do it-- and I would like to correct you on that. Arkansas, Delaware have in-state-- no betting on in-state teams; New Jersey, no betting on in-state teams and college events; New Mexico, no betting on in-state teams; Rhode Island, no-- no games-- no betting on games for in-state teams; New York, no betting on in-state games; Iowa, no prop betting on in-state college athletics. Oregon has restrictions. Native casinos can-- can-- can bet on all types of bets, but for the pu-- for the public casinos, no betting on in-state colleges; Indiana, no betting on in-state athletics; New Hampshire, no betting on in-state colleges; Illinois, minor leagues and-- and Illinois college teams, no betting; Virginia-based college sports, no betting on those teams; Washington, no betting on in-state colleges; Washington, D.C., no colleges-- no betting on colleges in Washington, D.C. So to act as if this is some crazy, oh, my God, the sky is falling, imagine how behind the times we will be. Thirteen states and the District of Columbia have cre-- have created pro-- prohibitions on in-state intercollegiate gambling.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HUGHES: One minute.

PANSING BROOKS: Senator-- Senator Briese is just wrong. And if he thinks there's better wording, I'm willing to work with him on that. Clearly, I have kindly not taken this the four hours, but I feel strongly about it. And I don't appreciate the language that was used earlier about this-- about this amendment. I believe in supporting kids, I believe in protecting our programs and our university, and I also believe in supporting our student athletes, as Mr.-- as Senator McKinney talked about. But again, colleagues, I hope that you'll vote no on this and have one very small restriction on in-sta-- in-state gambling on intercollegiate teams. And this is not about banning all college gambling. It's about in-state college gambling. When those teams go out of state, you're welcome to bet on them. Thank you, Mr. President.

HUGHES: Thank you, Senator Pansing Brooks. Colleagues, the question is, shall the amendment to LB561 be adopted? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

CLERK: 18 ayes, 13 nays on the amendment.

HUGHES: The amendment is not adopted.

CLERK: I have nothing further on the bill at this time, Mr. President.

HUGHES: Senator Briese, you're welcome to close-- excuse me. Senator McKinney for a motion.

McKINNEY: Mr. President, I move that LB561 be advanced to E&R for engrossing.

HUGHES: Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. The motion carries. Mr. Clerk.

CLERK: Senator McKinney, LB561A. I have no amendments to that bill, Senator.

HUGHES: Senator McKinney for a motion.

McKINNEY: Mr. President, I move that LB561A be advanced to E&R for engrossing.

HUGHES: Colleagues, you've all heard the motion. All those in favor say aye. All those opposed say nay. The motion carries. Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

CLERK: Mr. President, LB17. Senator, I have E&R amendments, first of all.

HUGHES: Senator McKinney, you're recognized.

McKINNEY: Mr. President, I move that the E&R amendments to LB17 be adopted.

HUGHES: Colleagues, you've all heard the motion. All those in favor say aye; all opposed say nay. Motion carries.

CLERK: Senator Kolterman would move to amend with AM929.

HUGHES: Senator Kolterman, you're recognized to open on AM929.

KOLTERMAN: Thank you, Mr. President. I thought I'd do a quick review of the bill and then talk about the amendments. There's actually two amendments. LB17 changes the amortization period from 30 to 25 years on new bases in the judges', school, and Patrol plans. It creates a state contribution rate to the judges' plan beginning July 1 of 2023, which is 5 percent of the total compensation of all judges in the plan, which can be adjusted, and it increases earmarks on court fees in the amount of one court fee annually for the next five years to provide additional funding for the judges' plan. As promised, and as I mentioned on General File, I've been working with the Governor to include several provisions to address his concerns on the contribution rate. And during General File debate, I agreed to work with senators who raised opposition to the use of court fees to fund judges' retirement, particularly fees attached to criminal and traffic cases, which I have done. I pulled together a meeting with the Chief Justice, Court Administrator Corey Steel, Senator Stinner, Lathrop, John Cavanaugh, McKinney, and Senator Wayne was unavailable to attend, but I talked with him individually. I have worked to reach compromise with members of all three branches of government while still addressing my original goals of generating additional revenue and creating a funding mechanism that will eliminate the unpredictability of the year-to-year varying ARC amounts. There are-- there are those that don't like the annual state contribution. The actuary had recommended a rate of 6 percent and I compromised and agreed to a lower rate of 5 percent. After lowering the rate, the Governor wanted assurances added to the bill that the rate could not be raised above 5 percent. I compromised and incorporated that language into the amendment that you're going to see that you've got posted. And it specifically says the rate can be adjusted and even terminated, but cannot be adjusted above 5 percent. There are senators who don't like using court fees as the funding mechanism, particularly because the impact on those charged with

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

crimes or traffic violations who cannot afford the fines and the court costs. I compromised and incorporated language which eliminates the increases on criminal cases and traffic violations to help alleviate the concern, though it lowers the amount of revenue that's going to be generated. The cost of that compromise is a reduction in the projected annual court fee revenue of about 2-- \$2.5 million over the next five years, which means about a 30 percent reduction in the amount of revenue that was going to be raised by the court fees. I understand and agree with senators who are opposed to using court fees to fund judges' retirement. I've been working on this issue for a number of years to try and develop an alternative funding mechanism. But it is the Retirement Committee's responsibility to ensure the funding is monitored each year for each plan. And the adjustments made to funding are put in place to address short-term funding losses and to ensure that the plan's funding remains sustainable. The specific changes in AM929 are as-- as follows. As I mentioned, I met with the Governor and the Chief Justice and senators. The result is AM929, which is a white-copy amendment of the bill. The new compromise provisions in AM929 are this. It eliminates increases in court fees on criminal cases and traffic violations. The increases on the \$6 court fee established in 24-703 are eliminated on criminal cases of action-- or causes of action, traffic violations or citations, and city and village ordinance violations. On those actions, the fee remains at the current amount, which is \$6. The increase over five years in the \$6 court fee remains in place on all other cases. Number two, it ensures the actuary considers a 5 percent contribution when calculating the ARC. It requires the actuary to consider the 5 percent contribution as a contribution when the amount of the ARC is calculated. This ensures that the 5 percent contribution-- contribution is subtracted from the ARC amount that the state must pay, particularly in 2023, the first year the 5 percent contribution will be paid. It caps the contribution at 5 percent, ensures it can be adjust-- and ensures it can be adjusted or eliminated. It specifies that the contribution is 5 percent of the total compensation, except as adjusted or terminated by the Legislature. Additional language specifies that no adjustments to the contribution rate shall cause the total contribution rate to be-- to exceed 5 percent. The actuary's recommendation and analysis are also provided to the Governor and to the Supreme Court. It requires the actuary's recommended adjustment analysis to be provided not only to the Retirement Committee, but also to the Governor in the Supreme Court. And it specifies that the Re-- Retirement Committee, if necessary, will propose a contribution rate adjustment. Upon receipt of a recommended adjustment from the actuary, the requirement-- the Retirement Committee is required to determine the amount of any contribution rate adjustment and, if necessary, must propose an

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

adjustment to the Legislature. So why is this bill needed now? Everybody says it's well funded. That's a question I've been asked. Why am I be-- why am I bringing these funding increases now, when the judges' plan is 97 percent funded? That's a fair question and the answer is this, that the amount of the judges' annual funding obligation for this year, the ARC, is four times more than what it has been in-- estimated last year. The actuary had projected an ARC of about \$350,000, but-- but due to severe drop in court fees revenue because of COVID, the ARC was actually \$1.4 million and the projected ARC amounts over the next five years have also increased tremendously. The pro-- the projections now indicate the annual ARC will continue to increase annually above \$1.4 million over the next five years, when it is projected to reach \$2-- \$2 million in 2025. The ARC payment due this year is the largest ARC that has been requested for the judges' plan. And I'd like to refer you to the page that I hand out. There's two pa-- there's a front and a back to that page. The front page shows you the actuary-required contributions from 2003 until the present and-- and the back page shows you the funding status from 2002 until the present time. So this is a serious funding change in this plan, and it's the only plan this year that it's expected such a dramatic change in the projected ARC. The school plan, as projected, did not require an ARC payment this year. The Patrol plan ARC amount was equal to the projected ARC. It is the Retirement Committee's responsibility to monitor these changes and to act as necessary to ensure that funding needs are addressed not only in the short term, but also in the long term so the plan is sustainable and ensure that the judges' plan does not lose ground. In conclusion, I agree with everybody that's got concerns that using court fees to fund judges' retirement is not an ideal way to fund the plan. That's why I'm proposing the new state 5 percent contribution. It is a new funding mechanism that will-- will not only help relieve the budget volatility from the ARC payments each year, but it will also provide ongoing predictability in judges' retirement funding. It increases reliance on the General Funds and helps to relieve the reliance on court fees as a whole-- sole funding mechanism for judges' retirement. It is a step in diversifying and broadening funding mechanisms. However, it means the use-- it retains the use of court fees as a primary revenue source for judges' retirements, which has been in place for over 70 years since 1955. Because of-- it is so well established, it is the primary funding system I need to work with at this time and the funding source that has supported the judges. I believe AM929 presents reasonable compromise to those who have raised concerns and opposition, and I ask for your support of this amendment. The new actuarial analysis has not been done yet. I did not get a new cost study yet on AM929 because I wanted to wait and make sure that the amendment was adopted--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HUGHES: One minute.

KOLTERMAN: --before incurring any additional expense. However, I want to remind you that if this or any other amendment is adopted, the changes-- that changes projected funding revenue, the Retirement Committee is required to get a new actuarial cost study, which must be provided to each member prior to voting on the bill on Final Reading. So with that, I would ask for your support of AM929.

HUGHES: Thank you, Senator Kolterman. Mr. Clerk.

CLERK: Mr. President, Senator-- let me, if I may, read some items. First of all, Judiciary Committee will have an Executive Session now under the south balcony, Judiciary Committee now underneath the south balcony. Bills read on Final Reading this afternoon were presented to the Governor at 2:20. (Re LB385, LB666, LB386, LB386A, LB65, LB105, LB180, LB224, LB265, LB312, and LB414.) I have hearing notices from Health and Human Services Committee. Government Committee reports LB557 to General File with committee amendments. Senator Pansing Brooks offers LR98. That'll be laid over. Senator Lathrop, new A bill, LB51A, it appropriates funds to implement LB51. Amendments to be printed: LB628, Senator Morfeld; Senator Lowe, LB273; Senator Hilkemann, LB408; Senator Lathrop, LB411. Mr. President, returning to LB17, Senator Kolterman would move to amend AM929 with AM978.

HUGHES: Senator Kolterman, you're recognized to open on AM978.

KOLTERMAN: Thank you. This is very simple. It-- the amendment strikes the word "criminal" so it ensures that the fee increases are removed on the-- not only city and village criminal ordinances, but also on any civ-- city or village traffic violation or citations. Adoption of AM978 to AM9-- AM929 will ensure that the court fee remains \$6 for city and village criminal cases and traffic violations. I ask for your support of this amendment as well. Finally, I'd like to thank Eric Asboe, who's been working with us from the courts, the Administrative Office of the Courts. He provided all the revenue streams, all the samples of what we've looked at, and has done a great job and worked very well with us as a committee. Thank you.

HUGHES: Thank you, Senator Kolterman. Debate is now open on AM978. Senator Stinner, you're recognized.

STINNER: Thank you, Mr. President. Members of the Legislature, first of all, I stand in support of LB17, AM929, and AM978. I want to thank Senator Kolterman for bringing this bill and the amendments and working out what I think is a very good compromise. I will tell you

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

that I've been on the Retirement Committee now going on five years. I've never met anybody more committed to doing the right things as it relates to retirement and making sure that we have a system that we'll follow long term and continue to fund our commitment to our retirees. That's what this is all about. When I hear people talk, well, you're fully funded at 97 percent or you're really funded well at 88 percent, I just kind of cringe because, as-- as I always talk about the fiscal profile for the state and I talk about, obviously, the rainy day fund is one-- one metric that people look at that looks at our state from a financial stability and strength standpoint. The other thing that they look at is unfunded pensions. Now look at Illinois. Unfunded pensions, they're never going to catch up. And what caused us to be at 97 percent or 88 percent or 90-some percent on our-- on our-- all of our pensions? Probably one of the highest in-- in the United States, we're either-- we're in the top five anyhow as far as funding our commitment to our retirees. That's something to be proud of, but it can slip away fairly quickly because we have actuarial assumptions. And even today, that actuarial assumption is being taken down on an expected rate of return in this plan from 8 percent to 7 percent. That causes us to come up with additional dollars because we recognize the fact, over the long term, having a rate of return of 8 percent is unrealistic in today's environment, trying to add stability and trying to re-- trying to avoid an ARC. ARCs generally happen in a business downturn. And what happens to revenue to the state in a business downturn? It goes down. So they always show up at probably the most inopportune time. Now the reason we have-- or a big reason we have this large ARC of \$1.4 million, which we have funded, by the way, through General Funds, is because we had a shortfall in fees due to COVID. We also have some level of we're ratcheting down that expected rate of return, so that causes additional dollars to be put into the retirement fund to ensure that that fund stays solvent, ensures that we can-- we have the ability to fund these retirements. The one thing I know about budgeting, I like to have predictability, predictability of revenue. We can't predict revenue. It goes up and down. It's in business cycles. So I preach rainy day fund as a backup. Predictability means that I can budget a certain amount of money. That's what the 5 percent is about, folks. It's predictability. It's avoiding the market volatility associated with ARCs. You got to have this kind of stuff in place. We've got a 2 percent number that we provide for teachers. This is 5 percent. It's actually, over the long term, going to save the state money. But it takes out that volatility, that unexpected expense at the most inopportune time. So it gives you budgetary predictability. It takes care of market volatility, not 100 percent but a pretty good piece of it--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HUGHES: One minute.

STINNER: --and provides the resources that we can demonstrate that the commitment that we've made to judges, to teachers, to firemen, to State Patrol, that we have the resources, we have the commitment to do that. Senator Kolterman is looking at the long term. When we take and set sail out of here, this will stay in place and nobody will ever have to worry about solving an ARC, solving a retirement problem. You've budgeted for it. It's predictable. You've taken care of market volatility and you continue-- if you go to 100 percent, then it starts to cut off, or 102 percent. It can get there. But that's-- that's the safety valve on the other side so that you don't overspend on it either. So this is a good bill. I would recommend a green vote on all three, certainly the LBs and the-- the two amendments, and it takes care of a lot of the things that we are concerned about--

HUGHES: Time, Senator.

STINNER: --on a long-term basis. Thank you.

HUGHES: Thank you, Senator Stinner. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. Well, I rise, I guess, in-- in support of AM929 and AM978. Senator Kolterman, I think, correctly described the situation where we had a disagreement about how to do this. We got together, he, myself, Senator Lathrop, Senator Stinner, Senator McKinney, and members of the judiciary, and discussed the problems that I-- that I had, Senator McKinney had, Senator Wayne expressed with funding pensions and-- and really anything through court fees. I don't like doing that. I think that we should bear the responsibility for funding these things and I'd like to see us take that responsibility going forward. This is a compromise that I'm, of course, not over the moon about because it doesn't completely take the court fees out of it, but it does meet halfway, which I think is fair, and it does take a step away from doing this going forward. And as Senator Stinner pointed out, the 5 percent is a good way to budget going forward and I'd like to see us take more steps in that direction. So I think overall it's-- it's better than it was and that's why I'm in support of AM978 and AM929. But in that conversation with the judiciary, we had a few-- we talked a little bit about why they want court fees to fund these sorts of things and my takeaway ultimately was that they don't trust us to fund them, which I think is-- is problematic. And I think Senator Stinner addressed why it's important that we do it in a responsible way. And so I think that's just something to think about going forward. I think we should do this

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

at this time because it's-- we have a commitment and obligation to meet and we should do that. But we need to reevaluate how we are funding programs in this state and make sure that we are not shifting the burden off of our books in a way that makes it look like we're not taking responsibility and we're not doing what we should do to make it easier on ourselves or future Legislatures. And that's what happens when you create these sorts of funding structures. So I recommend or I'd suggest a green vote on AM978 and AM929. Thank you, Mr. Speaker-- or Mr. Chair.

HUGHES: Thank you, Senator Cavanaugh. Senator Wayne, you're recognized.

WAYNE: Thank you, Mr. President. Colleagues, I-- I understand the compromise Senator Kolterman made. I still go back to the issue that I've said from the beginning. We are raising fees in a time where we've processed more unemployment claims than we ever have in the state. We are raising fees at a time when it's currently 97 percent funded. I just don't think right now is the time to raise user fees at all. And I've been consistent and I will be consistent. It seems to be getting late. People really aren't-- are working and talking about other things. But I just think we need to be cognitive of raising fees during this time, over the next two years. When we have \$210 million, \$180 million on the floor, it just seems fundamentally wrong to me at this point. I'll yield the rest of my time back to the Chair.

HUGHES: Thank you, Senator Wayne. Seeing no one else in the queue, Senator Kolterman, you're recognized to close on AM978.

KOLTERMAN: Thank you very much. I appreciate the dialogue we've had. I hope you will support AM978, AM929, and-- and LB17 and look forward to advancing this to Final Reading. Thank you very much.

HUGHES: Thank you, Senator Kolterman. Colleagues, the question before us is the adoption of AM978 to LB17. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

CLERK: 35 ayes, 0 nays on adoption of the amendment to the amendment.

HUGHES: The amendment is adopted.

CLERK: Mr. President, Senator Cavanaugh would move to amend with AM900.

HUGHES: Senator Cavanaugh, you're recognized to open on AM900.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

M. CAVANAUGH: For clarification, Senator Machaela Cavanaugh is introducing this amendment. This amendment is something that we talked about on General File. Senator Wayne brought this and it strikes the fees and allocates funding from the General Fund. Now that we've passed the budget, seems like an appropriate time to consider those General Fund dollars that we have for the floor and this amendment does just that. So it's a \$3 million General Fund appropriation to fund the retirement for judges. I'm not opposed to funding the retirement of judges. I'm opposed to funding the retirement of judges through court fees. Court fees are an easy thing for this body to just vote for, or fees in general, because it's not viewed as a tax increase, but it is a tax. It is a user tax. And when people are in the court system, that is a public good and it shouldn't have an additional tax beyond our taxes. So if our tax dollars already pay for the courts, then why are certain individuals having to pay additional fees for that? We don't have a tax on kids going to school. We all pay our taxes to fund education. We don't have a user fee tax for schools. So why do we have a user fee tax for courts? Additionally, comments have been made on this bill that this funds, fully funds, the retirement fund for judges, which on face value, I have no problem with. But I do have a problem with that we fund the things that you all value but don't fund the things that I value and I value the developmental disabilities wait list. And so bemoaning something not being fully funded by a few percentage points when we have thousands of people on a developmental disabilities wait list, where we should be putting every single extra penny towards that, that I have a problem with. And for that reason, I'm not going to vote for my own amendment, nor Senator Kolterman's amendment, nor the underlying bill because I don't think that we should be doing anything until we take care of our most vulnerable population. And the fact that we have to quibble over eligibility for SNAP when those are federal funds, those aren't even General Funds, the things that we quibble over in this body and the priorities of this body do not reflect my priorities. And I want my constituents and the people of Nebraska to know that I value them as my priority, that I value the individuals with developmental disabilities and the people that are food and housing and childcare insecure and need access to education, those are my priorities, not property tax relief, not judges' retirement. Servicing the needs of the citizens of Nebraska are my priorities. Thank you.

HUGHES: Thank you, Senator Cavanaugh. Senator Kolterman, you're recognized.

KOLTERMAN: Thank you again. Colleagues, I rise in opposition to AM900. I understand where Senator Machaela Cavanaugh is coming from. The

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

problem is that'd be a one-time contribution. We've-- we've-- we've decided to take a longer-term approach to this like we have done with the teacher retirement. That was a negotiated situation. As an example, in the school plan, the teachers put in 9.78 percent. We matched that with 101 percent match and-- and that's 9.88. That's the employer contribution, then we put in 2 percent. The reason we haven't had any problems with that plan and the reason it's funded like it is, simply because we've been proactive and we've worked with it. A \$3 million one-time approach isn't going to do us a lot of good. It would be like a small blip on the radar screen and-- and it just won't help. The judges, people ask me, what do the judges contribute? They contribute on average 8.5 percent. If you're higher paid, you pay a little bit more. If you're-- if you don't make as much, it's a little bit less. We don't have-- they're-- it's the only plan that we don't have any employer contribution. And so we-- that's why we put the 5 percent in there to-- to make the long-term budgeting process a lot easier, like it-- like we did with the 2 percent in the teachers' plan. In the teachers' plan, we also do that for the Omaha Public Schools as well as the rest of the educators throughout the state. The Patrol plan is an example. The employer contribution is anywhere from 16 or 17 percent. We match that 100 percent. In the state's plan, they put in 4.8 percent and we match that 156 percent, 7.488. And in the county plan, they put in as an employee 4.5 percent and so we match that 100 percent. And so I-- I think, while I understand where this is coming from, this concern is coming from, we're taking a much longer approach to this. We're listening to our actuaries. We're lis-- we're listening to the people that are in the plan that it's affected. And as I said, another thing that I would say is when it come-- comes to increasing fees, there was a bill to increase fees that came out of Judiciary this year. Knowing that that was going to increase fees and court fees, again, we-- we back-stepped and we put that in the budget. That's-- that's a completely different situation, but we've been funding the retirement out of this-- out of-- out of fees for years and so I-- I see no reason to change it at this time. It's a modest increase and the judges are putting in their share. We're merely putting in 5 percent as well as a slight increase in court fees. With that, I-- I would hope you would oppose AM900, support AM929, and pass LB17. Thank you.

HUGHES: Thank you, Senator Kolterman. Seeing no one else in the queue, Senator Cavanaugh, you're welcome to close on AM900.

M. CAVANAUGH: Thank you. And I would like to take a moment to acknowledge that the-- the decision was made-- handed down-- the verdict was handed down in Minnesota just a little while ago and to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

send my condolences and hope for healing to the Floyd family for the loss of their loved one and I hope that this verdict of guilty on all charges brings them some closure and peace. And I-- back to the amendment, AM900, I very much appreciate Senator Kolterman's work on all of our retirement issues. I think he is a-- a great steward of our retirement programs across various areas and I believe he understands my opposition to this, that it is not about the work that he has done, but about having a broader conversation about how we fund government. And I know that this is how this has been done in the past, but I think now is the time for us to do things differently and-- and do things better. And we've-- over the past, I don't even know, decade to 15 years, have cut things from the state budget and pushed them down to the local level and then complained about property taxes being on the rise because our local communities have no other way to fund the things that the state is no longer funding, and it-- it's just a messy cycle. And now we have property tax relief funds and we have to put all of the money into property tax relief funds to give to the voters for a tax that we don't levy; meanwhile, we're not providing the services that we should be providing, including funding retirement out of the state budget. So with that, I encourage people to vote or not vote. I will be not voting on any of these. Thank you.

HUGHES: Thank you, Senator Cavanaugh. Colleagues, the question-- seeing no one else in the queue, the question before us is the adoption of AM900 to LB-- LB17. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

CLERK: 2 ayes, 23 nays, Mr. President, on the amendment.

HUGHES: The amendment is not adopted. Returning to discussion, Senator Wayne, you're recognized. Senator Wayne waives. Seeing no one else in queue, Senator Kolterman, you're welcome to close on AM929. Senator Kolterman waives closing. Colleagues, the question before us is the adoption of AM929 to LB17. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

CLERK: 35 ayes, 1 nay, Mr. President, on the adoption of Senator Kolterman's amendment.

HUGHES: The amendment is adopted.

CLERK: I have nothing further on the bill.

HUGHES: A request for a machine vote? Senator McKinney, you're recognized for a motion.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

McKINNEY: Mr. President, I move that LB17 be advanced to E&R for engrossing.

HUGHES: Colleagues, there's been a request for a machine vote on the advancement of LB17. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

CLERK: 32 ayes, 2 nays on the advancement of the bill.

HUGHES: The bill advances. Next item.

CLERK: Mr. President, LB485 is a bill originally introduced by Senator DeBoer. It's a bill for an act relating to childcare. It changes provisions relating to childcare assistance and it harmonizes provisions. Bill was introduced on January 15. At that time, referred to Health and Human Services Committee. It was advanced to General File. There are committee amendments and an amendment to those committee amendments.

HUGHES: Thank you, Mr. Clerk. Senator DeBoer, you're welcome to open on LB485.

DeBOER: Thank you, Mr. President. Good afternoon, colleagues. Today I am pleased to introduce to you my priority bill, LB485, to expand eligibility for childcare subsidies for three years. First I want to thank Senator Arch for all his help with this bill and some really good improvements, I think, which are coming in the committee amendments. I also want to thank Senator Stinner for helping me make sure that the bill has no General Fund impact and in understanding how all the different funds and federal dollars interact. In these last 13 months or so, our economy has had to twist, turn, change, and we have seen a number of things we never would have expected. And certain segments of our businesses have needed a little extra support, whether helping restaurants to do more carryout-- out or-- or PPP loans, whatever it was. We know we need to restart our economy and some of that has already happened, but part of that has to also be restarting our workforce. After this last year, we've seen a lot of parents leave the workforce, which means they're not even counted in our unemployment numbers, in order to stay home and care for their children. You can, at least theoretically, work under a lot of difficult circumstances, but you cannot work if you don't have a safe place for your children to go while you work. LB485 expands eligibility for childcare subsidies which help lower income families to offset the child-- the cost of childcare so they can afford to get back to work. These childcare subsidies are available if you are in certain types of job training or education or if you are working. You

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

don't get them if you are staying home. The monies are directly paid to providers, rather than the people receiving the subsidies, giving providers a stable source of income when families continue to use their services, which they may not otherwise have been able to afford to continue to do. And I will note that there are childcare providers in each of your districts, colleagues, that accept these subsidies and it is often a great percentage of the childcare providers in most of the districts. Specifically, LB485 expands the amount of money you can make to get a subsidy. Right now, we are very low compared to our neighbors and comparison states and you only qualify for childcare help if you make less than 135-- 130 percent of the federal poverty level. If you make more than that, you cannot qualify, so you might take fewer hours, you might take a less good job to help you qualify because, again, you cannot work without childcare. So currently we are at 130 percent of federal poverty level. LB485 takes us to 185 percent, where we used to be in the early 2000s. So for the initial qualification under LB485, you could make up to 185 percent of federal poverty level. Wherever you are within the income that qualifies for that subsidy, though, you must still per-- pay 7 percent of your income for your own childcare. The subsidy fills in whatever is left. So as your income goes up, so does the amount you pay for-- of your childcare. Currently, you're kicked off the program if you initially qualify and then earn 185 percent. Under LB485, the exit number would be when your income reaches 200 percent. There is absolutely no General Fund impact with the amendments and Senator Arch will introduce those to you in a moment. This program is entirely paid for with federal funds. The federal government sends us Child Care/Development Block Grant money each year and each year we use that under current law to help families with childcare needs-- needs with these subsidies. The CCDBG money is specifically designed for this purpose. And in the past few months, we have been given an additional \$150 million in federal CCDBG funds, about 60 in December of last year and about 90 a few weeks ago. We can use those recent CCDBG dollars for three years, which is why my bill has a three-year sunset. So just to reiterate, this bill has literally no General Fund impact. And in order to make absolutely certain there is no misunderstanding by anyone and to be completely, positively, absolutely certain that there will be no General Fund impact, I have filed LB1057 [SIC] as an amendment to the committee amendment, which said-- says General Funds cannot be used to expand our eligibility under LB485. Instead, we will use the money that the federal government has sent to us with a specific designation that it must be used for childcare. And with that 150 million new federal dollars, we will use-- we will fund the program and restart our workforce. This expansion will also help reduce the cliff effect currently in place on childcare subsidies and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

help people work their way off the subsidies. That's because you pay more of the cost of your childcare as you advance in your career and make more money. Some of you might want to ask what happens after three years. Well, hopefully folks will have advanced in their careers and trainings and whatever else they need to have to be successful. Hopefully the money we put into this is more than repaid by folks who can now earn more and contribute more to our tax base. Hopefully this is the hand up that Senator Lowe sometimes talks about, and I think it will be. We've seen historically that is true, but I didn't want to leave anything to speculation. You all know that I like to know a thing for sure. So Senator Arch has suggested that maybe we do a study to see if the program was doing what we wanted it to-- to do. I appreciated that suggestion very much. And at the end of the three year-- three years, the committee amendment calls for a study which can be in-- done in concert with a private entity. And in fact, the group First Five has said that they would fund such a study to determine if the childcare subsidies are actually helping folks to advance in their careers and lead-- need less subsidies. For three years, entirely paid for by federal dollars, we are investing in our workforce to give them one of the absolutely vital things they need to work. We will restart our workforce after this trying year, bringing more vitally important workers into the system. The bottom line is if you haven't priced childcare recently, which I hadn't, the cost is tremendous. It's \$11,000 for an infant. It's \$10,000 for a more school-age kid, and it's \$7,000 for like before-school/after-school stuff. So the cost is tremendous. It's a very big disincentive to work to have to pay the cost of childcare. And we need all of our workers right now. I saw a report last week that said we're currently 61,000 jobs unfilled in Nebraska. It isn't surprising, then, that this sort of targeted workforce commitment is supported by our businesses-- our business community. The Nebraska Chamber, the Omaha Chamber, the Lincoln Chambers all support this bill because it is in-- intended to help us get people in Nebraska working. It's our job as a Legislature to direct these funds to-- to fulfill the purpose the federal government sent them to us for. Our economy will not thrive without workers and our workers cannot work without childcare. I'll ask for your support of this bill and the committee amendments. Thank you, Mr. President.

HILGERS: Thank you for your opening, Senator DeBoer. As the Clerk noted, there are committee amendments. Senator Arch, as Chair of the Health and Human Services Committee, you are recognized to open on AM764.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

ARCH: Thank you, Mr. Speaker. The Health and Human Services Committee held a hearing on LB485 on February 10. The committee ad-- adopted AM764 on a 7-0 vote and advanced the bill to General File with a committee amendment, with 6yes votes, 1 present, not voting. The committee amendment, AM764, as Senator DeBoer has articulated, sunsets the expanded eligibility period for the childcare subsidy program at the end of fiscal year '23-24, at which time the income eligibility limits would return to the current levels. The committee amendment includes an emergency clause with an effective date of July 1, 2021, to facilitate the timeline of implementing the increase, beginning with fiscal year '21-22. Additionally, the amendment provides that DHHS will collaborate with a private nonprofit organization with expertise in early childhood care and education for an independent evaluation of the income eligibility changes made by the bill if private funding is made available for the-- such purpose. That evaluation will be completed by December 15, 2023. Finally, AM764 removes the reference to General Funds for funding this period of expanded eligibility. The intention here was to take General Funds out of the equation for funding this temporary increase in income eligibility limits. After conversations with our Fiscal Office, and I've discussed this with Senator DeBoer, it has come to our attention that we may need to be more explicit that General Funds will not be used, so Senator DeBoer will be introducing that amendment to clarify the committee amendment. But for now, I would urge your support for AM764.

HILGERS: Thank you, Senator Arch. Mr. Clerk, for an amendment.

CLERK: Yes, Mr. President. Excuse me. Senator DeBoer would move to amend committee amendments, AM1057.

HILGERS: Senator DeBoer, you're recognized to open on AM1057.

DeBOER: Thank you, Mr. President. AM1057 is the amendment that both Senator Arch and I discussed that simply says that no General Funds will be used to fund the expansion of these childcare subsidies. Thank you, Mr. President.

HILGERS: Thank you for your opening, Senator DeBoer. Debate is now open on AM1057. Senator Linehan, you're recognized.

LINEHAN: Sorry, Mr. Speaker. I understand that childcare is expensive. I've got a daughter that works. She's got two preschoolers. It's horrifically expensive. But I-- I-- what concerns me about the expanding of all these to 185 percent of poverty is you are now in the middle class, not high in the middle class, but you're in the middle

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

class, so-- and I could be wrong on some of these because I didn't work this weekend on this, so I'm a little unprepared and we went much faster today than I thought we were going to go. If you're 195 percent of poverty, your children are qualified for free and reduced lunch. That's fine. That's good. I think it's 200 percent of poverty you're qualified for CHIP. That's fine. I believe all children should have access to healthcare. You-- so a family of four at 185 percent poverty is \$49,025. So I rounded it just to \$50,000 and Googled what you pay in income taxes at \$50,000 income. You pay \$5,608. What do you pay at \$100,000? You pay \$13,523. So what you do is you-- you keep pushing people to a point, if you get subsidized healthcare-- or free healthcare, subsidized childcare, free breakfast and lunch, the-- the jump that you have to make in salaries to overcome all those benefits is very significant. So I'm not-- I'm not against this. It's federal funds. I get that. I'm not going to vote for it, but I'm not going to fight it. But I think we really have to think about-- I wish we had time and maybe between General and Select we can. Our accountant here, to my left, could figure out, because he's done this on some retirement things for me, what-- what does this actually mean to a family of four making \$75,000 versus family of four making \$50,000? And what-- we talk about trying to get people back into the workforce. You- you can get people to a point where they can't take a raise or their raise has to be \$10,000 to \$12,000. Well, let's just take healthcare. Children's healthcare, if you have individual coverage at your work but you have to pick up your family, that's going to be \$500 to \$600 a month. It's \$6,000 that you're going to have to get in new income to walk away from these benefits. It's-- you can't just look at the low end of the deal. You have to look at the big picture. And I think a lot of times when we expand these programs, we're not looking at what's the comparison if I am a family making \$75,000 to a family making \$50,000? And at \$75,000, I lose all of this. And-- and we all know,-- well, I think most of us-- how hard it is to go from that \$50,000 range to \$75,000 range. And if it means you have to work more hours, I-- I just-- it concerns me greatly. And the other thing, and I have to be-- would Senator DeBoer take a question, please?

HILGERS: Senator DeBoer, would you yield?

DeBOER: Absolutely.

LINEHAN: So you mentioned that First Five had agreed to do a study?

DeBOER: Yeah, they said that they would fund a study.

LINEHAN: So is First Five-- what-- what is their goal as an organization?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

DeBOER: I think they look at the First Five years of life and try to make sure that they're supported well. I don't-- I don't actually know what their-- their purpose statement is, but that's my understanding is that they work on early child mainly.

HILGERS: Minute, one.

LINEHAN: OK. Well, maybe-- my understanding is that they want-- and I'm not saying-- just that they believe there should be free childcare from zero to five, but maybe I don't understand what their position is. Also, the other thing that-- not talking about on this, the Biden administration already has, and I agree with this, they've already raised the child credit from \$2,000 to \$3,000 for children from 6 to 17 and they're going to raise the childcare credit for children from 0 to 6 from \$3,000-- I mean, excuse me, from \$2,000 to \$3,600. So there's a lot of benefits going to families right now. I just-- I want to see the numbers worked out on a chart as how this affects a family, again, at \$75,000 versus a family at \$50,000. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Linehan and Senator DeBoer. Senator Vargas, you're recognized.

VARGAS: Thank you very much. Colleagues, I rise in support of LB485 and thank Senator DeBoer for prioritizing this and introducing this bill. I also want to thank HHS Committee for their work on this. You know, our economy has changed significantly. Now today, for most families, it's a necessity to have both parents in the workforce. I should know. That's my family. That was my family growing up and that's my family now. And as a result, we need high-quality and affordable childcare more than ever. This legislation will provide a substantial relief to families who need the childcare subsidy but are unable to qualify for it now. Even more important, it uses federal funds and no General Funds, which I think is a prudent and pragmatic approach and I applaud Senator DeBoer for that. And as a matter of full disclosure, I should say this issue is important to me. I think I'm the-- one of five senators, I believe, that have children under the age of five. I have two children, a two-year-old, Ava, and my three-month-old, Luca. I know there are a handful of you that also have young children. And so from my experience, I can say that many working families aren't in a position-- are not in a position where we can voluntarily choose to have a parent leave the workplace to stay home with the kids and I hope we consider that when we're talking about affordable childcare. Now I think many of you will find experience for parents of young children today is quite different than what it was 20 or 30 years ago. The only thing I want to highlight is how important this legislation is for working-class parents. One of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

the things that I heard the most from going door to door in my community was how difficult it is to raise a small-- raising small kids with the economic constraints imposed upon them. My district has one of the highest concentrations of people who use childcare subsidy program of anywhere in the state. And by passing this legislation, an additional 2,688 children would be eligible for this program in my district alone. Now I think this is important, not because of anything other than an investment in people and an investment in families. We are lagging behind in terms of the support that these kind of programs can provide to Nebraskans. In fact, Nebraska has an opportunity to make sure that we are getting back in competition with-- competition with states like Colorado and Kansas, both of whom have adopted the 185 percent threshold. As a Legislature, we are committed to be bringing conscientious legislation and being stewards of our citizens and their tax dollars. We often talk about how we don't want to turn-- turn down work or accept a governmental handout, but this bill, if we fail to advance this bill, will be leaving in place a policy solution where I believe working-class families are having to make choices that we don't want them to have to have to make. Now we don't want families choosing to be one-household-income households because they can't afford childcare. We don't want people giving up those raise or promotion because the increase in their income wouldn't offset the loss of childcare support that they would suffer if their household income moved above the current 130 percent-level threshold. If we leave that kind of system in place for Nebraska families, I do believe it will stunt our state's growth and we can continue to see young families leave for other states. This is why I think this is prudent and pragmatic. Doesn't just help Nebraska families keep afloat-- I believe that this help make sure that our economic development in our state will continue and help support young parents at the most critical time when we're looking to make sure that they're as successful as possible. I urge you all to vote green on LB485. I think this is a pragmatic way and I do applaud, again, Senator DeBoer for her work on this, as well as the committee. Thank you very much.

HILGERS: Thank you, Senator Vargas. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. Speaker. Good afternoon again. I listened to Senator DeBoer's opening. I understand what she's trying to do. I also understand that it's going to be funded with federal funds. But I was wondering if Senator DeBoer would yield to a question or two.

HILGERS: Senator DeBoer, would you yield?

DeBOER: I would.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

ERDMAN: Senator DeBoer, so at the end of three years, it'd be 2024, there's a hard sunset on this provision, is that correct?

DeBOER: That's correct.

ERDMAN: So currently the rate is-- the percentage is 130 and we're going to 185?

DeBOER: That's correct.

ERDMAN: OK, so help me understand. In your opinion-- and that's what it is, basically, your opinion-- what happens in '24 when the program ends and we have all of these people that have been accustomed to getting the subsidy to 185 and we drop back to 130, then what happens?

DeBOER: I think that's a really good question. Well, for one thing, hopefully the study has shown from the year before that what's happening is those people aren't the same people. They're moving through the process. They're moving up. Their incomes are going up, so some of them are naturally going to be sort of moving out of the system anyway. So there will be a number of folks who are sort of in that transitional period where they are qualified but they haven't moved out of it, but they're above 130 but they're not to 185 yet. For those people, you know, this is going to be something that they need to know is only temporary.

ERDMAN: OK.

DeBOER: But we're-- we're saying that it's only temporary. And I assume that when they, you know, talk with people about this, they will indicate that this is a three-year thing.

ERDMAN: All right. So if one improves their financial position past the 185, how far do they have to go before they become ineligible?

DeBOER: It's at 200 percent in this bill.

ERDMAN: OK, so when Senator Linehan described to you what 185 was, a family of four was \$50,000, so then it's going to be about \$56,000, they'd have to exceed \$56,000?

DeBOER: You know what, I don't have that listed, so I'll trust your math.

ERDMAN: Well, it-- the poverty level for a family of four is \$26,200. All right? So two times \$26,000--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

DeBOER: Yeah, good.

ERDMAN: --\$53,000--

DeBOER: See, I told you I'd trust your math.

ERDMAN: --\$53,000 or \$54,000. So here-- here's my point. There's no way on God's green earth that in 2024, that we will remove or let this program sunset. So in my opinion, when you vote for this bill, even though we're using federal funds for these three years, you are making a decision to go forward with General Funds after 2024 because no one in this body today, nor anybody there in '24, will be able to vote to remove those benefits from those people who are accustomed to getting it. Is that a fair assumption?

DeBOER: Well, I would disagree with that because we did in 2000 and-- I think it was '02. So in 2002, we went from 185 to-- I think we went to 120 and then they went later back up to 130 after that. So I think the Legislature has shown that they will do that, they will change eligibility levels, and so I have no reason to believe that we couldn't do that again.

ERDMAN: OK. Would you assume this Legislature in 2021 or 2024 is somewhat different than it was in 2000? Could you agree with that?

DeBOER: I-- I think it's always different every two years, so yes.

ERDMAN: Yeah, we're a lot different today than we were then. In my personal opinion, I don't think there's a chance. There's not a chance that we will stop funding this to 100-- we will fund it to 130 percent level in '24. So I appreciate the answering the question. So I just want to share with you that if you vote for this, you're not only voting today to use the federal funds, which I'm fine with using the federal funds. And I've said before on the floor that I'm not interested in increasing the base going forward in case we have a downturn in the economy and we can't afford our budget. So you're voting today to use federal funds, but let it be known that in '24, you're going to be voting to use General Funds. That's exactly--

HILGERS: One minute.

ERDMAN: --the way it looks from where I sit. So do whatever you want with it, but that's the way it appears to me. Thank you.

HILGERS: Thank you, Senator DeBoer and Senator Erdman. Senator Williams, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

WILLIAMS: Thank you, Mr. President, and good afternoon, colleagues. And I would like to, like others have, thank Senator DeBoer for bringing this bill and recognizing the workforce issue that we have. I do have the opportunity to sit on the Health and Human Services Committee, so I was part of the hearing and was pleased to be part of the group that voted this out of committee. And I will certainly be voting green on LB485 and the amendments. I want to talk about a bigger problem that we have here that is related to LB485. If you talk to any of the-- the businesses across our state, whether you're in Kearney, Gothenburg, Broken Bow, further west or further east, the number-one hindrance to expanding their businesses is finding available workers. We've done a lot of things over the years in this Legislature to address this problem. You will remember the workforce housing grant program that we worked on in 2017 and again last year. The Department of Economic Development just last week, at the end of the week, announced the grant recipients, and, again, that program is very successful in providing rural workforce housing, which leads into creating the workforce in our rural areas. But that workforce struggles if they have kids at home, and many of them do. I know in-- in our hiring practice, the vast majority of the new hires that we make are young people that have kids at home and the ability to provide childcare is what allows them to be in the workforce to start with. And as Senator Vargas talked from personal experience, and I have some experience with-- with my children that have grandchildren that are in those ages, the cost of-- of providing that childcare is-- is really high. So what we're doing with LB485 is really creating some additional workforce for our businesses across the state and that is absolutely key and critical to solving this workforce shortage that we have. I think we need to recognize that and look at that and not pass up the opportunity to use the available federal dollars that are there at this point in time and trust that whoever is sitting in these seats in the future will make the hard decisions, like we've had to make hard decisions during our period of time here. And I don't agree that we're not willing to walk back benefits if that is what we have to do. For those that were in the Legislature when Senator Lathrop and Senator Aguilar and Senator Pahls were here, and Senator Flood, and they had to cut this budget substantially, they had to walk back a lot of benefits and a lot of programs, so I think that's something that we can look at. But again, I would encourage your green vote. This is legislation that makes sense. This is legislation that creates opportunities. This is legislation, as Senator DeBoer said, that works people through this system, getting them to a higher sustainable wage. I encourage your green vote. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HILGERS: Thank you, Senator Williams. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. Speaker. I just want to draw people's attention to the fiscal note. It is federal money, but it-- it's expensive. According to the Fiscal Office, the first year, 2020, would be \$18.9 million; the second year would be \$25.2 million. So it's \$50 million in the biennium. So if it's \$50 million in the next biennium when we would get to this, where we would have to pick it up or walk back benefits, it's probably safe to say we'd be looking at more like \$55-60 million. So this is a-- this is a big decision. We've got \$211 million is what was on the floor. This would be 25 percent of that money. And it's an important cause, childcare, and it is expensive, but is-- is it-- I just want to draw people's attention to how much money we're talking about here. It's significant. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Linehan. Senator Wishart, you're recognized.

WISHART: Thank you, Mr. President. I rise in strong support of LB465 [SIC] for a lot of the reasons that my colleagues have listed. Also, I have been following some of the trends that have impacted people in the workforce during this pandemic and women disproportionately have been impacted. And part of the reasons for that is having to work from home with your children and juggle a 40-hour-a-week job and making the decision whether you can do it or not and still support your children. And I think this is a-- is a very timely bill for us to be working on right now as we're moving out of this pandemic and trying to rev up our economy again and support working parents. I also wanted to be very clear about our appropriations process. In my experience, having worked on Appropriations, and I know Chairman Stinner is following me and can go in more depth, but from my experience working over the past five years now on the Appropriations Committee, we actually have a pretty strong tradition of not filling in federal programs with state funds. So if you are concerned that with LB485, in three years after it sunsets if there's no federal dollars following, I would encourage you to listen to the Chair and look at our record and history over the five years where, for the most part, we as a committee and then as a body do not fill in state dollars with federal funds. That has been a tradition of ours and I think that will remain one. Thank you.

HILGERS: Thank you. Senator Wishart. Senator Stinner, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

STINNER: Thank you, Mr. President. Members of the Legislature, I've been kind of involved in the early childhood issues, actually, even before I came into the Legislature. And some of you may not know that I am an early childhood fellow and that in-- that included a lot of training, certainly on different aspects of early childhood. That set aside, I also sat on a workforce for early childhood workforce and we looked at what do we need in the state in our childcare industry. Ninety-one percent of our counties do have insufficient childcare. And it really tied into a workforce as-- as Senator Williams was talking-- talking about. It's-- it's not only trying to build wage for the daycare center that takes care of the child, but also trying to get more people to the workforce. And actually, the University of Nebraska, as well as-- as well as First Five, conducted a survey for me prior to the pandemic and talked about the fallout of childcare and has it-- has it an economic impact, \$745 million in annual direct costs for insufficient options for stable, reliable childcare. That might be a little bit off the subject. I know that a lot of people are having a problem with the fact that, OK, we're going to take this to 185 percent and it's going to stay there. Well, first of all, you got federal funds that are sitting in a block grant and I believe that I heard \$150 million. We also have \$91 million locked up in TANF funds that are underutilized, that could be utilized, and certainly could be utilized in this to backstop what-- if we have a shortfall in the funding from the fed side of things on the block grant. And then we have the American Recovery Act. And what are we going to do as a Legislature? I asked this question the last time it came up. You have to sunset the program. You have to make sure that everybody understands we're trying to bridge this situation and that's why Senator DeBoer, first of all, said there's a sunset on this and we fall back to the original, which I support. She also added "and no General Funds are going to be in this program," which I don't think is necessary because we're not allocating any General Funds. If we don't appropriate General Funds, no General Funds can be used for this. The other thing, as Senator Wishart was talking about, oh, gosh, we're going to drop back down and we're not going to have the ability to do that. I can guarantee you, seven years on Appropriations, we have never, except on one occasion, filled in for a shortfall of federal funds and that's the vet hospital. Because of COVID, their census went down, so we picked up about a \$3-4 million tab for that shortfall. Prior to that, when federal funds were not available for a program, we did not backfill with General Funds, certainly not to this level. So you all-- I won't be here. I get that. You all that are here, yeah, you're going to-- you're going to have a decision to make. You're going to have a cliff. You need to disclose that to the people that are getting the money that this is a temporary situation so that they

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

can plan for that cliff effect. But then when the cliff effect happens, do an evaluation: What good did it do? It'll at least give you data on what we should be doing as a state. And if federal funds are available--

HILGERS: One minute.

STINNER: --so be it. Is that time, sir?

_____ : One minute.

STINNER: Oh, one minute?

HILGERS: One minute.

STINNER: Anyhow, those are the decision points that we have and we're going to be dealing with the American Recovery Act. If we don't use it, it goes back. It's nonsensical not to use block grant monies that's been locked up and sitting there waiting on DHHS to put together a program. They haven't done it. They haven't done it with TANF funds. We're going to get more TANF funds as well. We got \$91 million sitting there, not used. Does that even make good sense? I suppose it does to some, but let's do this in a prudent fashion. Let's disclose it to the recipients this is a part-- just as a short-term program. I think they understand it's a COVID-related type of program. There is a cliff effect, plan for it, but here, let's get you back to the workforce. Thank you, Mr. President.

HILGERS: Thank you, Senator Stinner. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President. Good afternoon, colleagues. I grew up in the '50s and '60s when it was possible for a family to live with one wage earner, just one wage earner. But in the intervening 50 years, that has all changed. Now it takes two wage earners to take care of a family and I don't know of many families at all that still have only one wage earner. I think we've also seen, since the development of the pandemic, that the workforce participation has also dropped, I think 4 or 5 percent, and that's because, I think, because of this childcare issue. When you have kids staying home from school, when you have kids who are sick or whatever else, you just can't go back into the workforce. So I think this bill does a good job in making it possible for more people to participate in the workforce, which should very well help the economy. Lastly, Senator Stinner indicated that during our time here, and we both came into office in 2015, that we did have to make some hard decisions. In fact, we

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

dropped some of the levels of funding that we-- we had to do a drop just to pass-- get a viable budget. So I think this is a good bill. I support the amendments, and I think we need to pass LB485. Thank you, Mr. President.

HILGERS: Thank you, Senator McCollister. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. I rise in support of LB485 and the amendments. Typically, I would not be supportive of things like this, but I think Senator DeBoer has put things in there that everyone has asked her to do and she's addressed some of the issues. One thing I want to make clear for the record is-- is down the road, I-- I think it's time for businesses to step up and start increasing their wages so people can afford childcare. And this has been kind of a-- you know, we-- in the Advantage Act, we created a lot of a minimum-wage jobs in Nebraska. And it seems like at the time, that was our goal is to create as many jobs as we could. We didn't really care what they paid and we created these jobs and now suddenly both parents have to work. And there-- we-- we created the-- we put ourselves in this position. And then we take health-- or childcare and we keep adding rules and regulations to it till it costs so much that nobody can afford it. And so then we end up in this vicious circle. But in the end, we're subsidizing businesses because if a business truly needs an employee, and our unemployment rate is pretty low right now again-- we're getting back to where we were pre-COVID-- businesses need to step up and either offer childcare stipends or make donations to childcare centers, find a place for their employees to put their kids. You keep begging for employees. Either pay them or provide childcare. Do what it takes from a business standpoint. If you can't compete, why do we have the taxpayers bailing you out? So in the end, I-- I hate mandated minimum wage, but I think it's time for businesses to step up and start paying a living wage where people can make that decision for themselves. Thank you, Mr. President.

HILGERS: Thank you, Senator Friesen. Senator Murman, you're recognized.

MURMAN: Thank you, Mr. Speaker. I stand in favor of the amendments. They do make the bill better, but I am against the underlying bill. I was the lone member of the Health and Human Services Committee who was present, not voting, on the committee vote to advance to General File and I want to explain my thoughts. First, I realize that there are many situations that necessitate the use of day care, such as single parents, and home care is not possible. If possible, however, I believe that children are best raised in the home by a loving father

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

and/or a loving mother. The child will usually have more one-on-one time as they are nurtured and taught by a loving parent. This bill expands eligibility for both the initial qualification for childcare assistance, transitional childcare assistance, as well as the cash assistance program. My concern is that while we're making it more financially beneficial for families to utilize childcare, and families that have the option of in-home care will opt out of such care and place their children in day care. It is a philosophical and policy concern that we're giving a financial advantage to opting for day care over in-home care for those families that have a chance of care to give their own children. Another concern is that the study to determine the effectiveness of the program will consider the short-term economic benefits to the economy, but not so much the long-term negative implications to children and families for the lost together time. This time together is good for the mental health for both children and parents and benefits society as a whole when children feel more loved, cared for, and valued. This is not to say that children are not valued in day care, but no one can totally replace a loving and caring father and mother. My other concern with the bill is the cost, even though it is federal dollars, is still tax-- still our tax dollars. I am very supportive of the sunset provision in AM764. I am very fearful, though, as Senator Linehan and I think Senator Erdman suggested, that once the program is set up in 2023, it-- it-- what-- it will be very difficult for the Legislature to take the benefits away. Thank you for hearing my thoughts and concerns relating to this bill and I will be present, not voting on the bill, but I do think the amendments make it better, ensuring that the cost of the bill will be federal dollars. But again, my concern is that it will be difficult to remove the benefits once they are set up. But I do appreciate a hard sunset through the amendments. Thank you very much, Mr. Speaker.

HILGERS: Thank you, Senator Murman. Senator Groene, you're recognized.

GROENE: Thank you, Mr. President. I believe I'm correct. I've heard over and over again we-- we're one of the highest in a nation where two family incomes, both spouses, both parents are working already. What I-- I guess I've got a question for-- asked Senator Arch. He said I should direct it to Senator Stinner. So, Senator Stinner, would you take a question?

HILGERS: Senator Stinner, would you yield?

STINNER: Yes, I will.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

GROENE: Let's say Senator DeBoer never came up with this idea. What would happen to that money?

STINNER: I think it just sits there idle. But A--

GROENE: Well--

STINNER: The ARA money that also supplement-- is contemplated in this bill could come in and that's why it lasts over a longer period of time. The ARA money then would be returned if we don't use it.

GROENE: Well, I talked to somebody in Parole and-- because I see HHS didn't testify in opposition. And I don't know much about this topic, but the COVID relief money has gone directly into the Child Care Block Grant itself to be used for the sole purpose of the block grant. We currently use that money to help our child-- childcare providers open during-- stay open during pandemic and to provide additional assistance to current subsidy-receiving families that struggle due to pandemic. So I'm assuming HHS had a plan, used the plan-- used the money and just drew down the account. Is-- is-- Senator Stinner, how does that work? It-- it sits in that block grant, then it's-- does HHS just draw it down as they need to disburse it?

STINNER: Well, if it's-- if it was COVID money, it needed to be spent in a certain time framework. But now it's been extended and I don't know what that extension is for that. If it came into the block grant to be held in a block grant, it should go out in accordance with whatever the-- whatever the--

GROENE: All right, whatever the federal government said.

STINNER: Yes.

GROENE: Thank you. So I guess, you know, we do things on two sides. One thing I hear, just seen it recently to make it harder for childcare providers to provide childcare. We-- we do this Step Up to Quality where we got to have degrees, the employees do, in order to do what comes natural to most people: care for children. We have to have more licensing. So we keep putting the little person out, the small business out, and then, therefore, it drives up the cost because we got more cost. We have to pay for the degree, for the level of education of the employees, and then we eliminate jobs for those who are-- do not have that education, but are good nurturers of children. And then on the other side, we say the price is too high. Well, that's cause and effect, folks. It's cause and effect. Just because the union wants more members and more people with education degrees, that's not

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

a good reason to do a lot of these things. All of a sudden, the cost's \$11,000, really. And I agree with Senator DeBoer. I've heard those numbers before from young people I've ran across. So I would still just prefer, instead of adding more people to do kind of the-- what the adminis-- the executive branch is-- to make sure that more money is available to those individuals who are below 130 and below and to keep them-- because even those folks have to have a copay to make sure the extra money is spent, maybe for 100 percent of their cost, because they have no other avenue--

HILGERS: One minute.

GROENE: --for income. So I-- the amendments are better. I appreciate the way Senator DeBoer wrote this, with a sunset. But boy, once you give somebody money, it's hard to say-- to take it away. I'd rather help that lower-end people and-- and pay for more of that, what's the-- I think the executive branch is doing. So I'm not going to be a supporter of LB485. I want the exec branch to manage it, HHS to manage it. Thank you.

HILGERS: Thank you, Senator Groene. Seeing no one else in the queue, Senator-- Senator DeBoer, you're recognized to close.

DeBOER: I guess I will give my general closing now, even though I'm closing on AM1057. AM1057, as you recall, is the one that says absolutely, positively, we will not use General Funds. Colleagues, we live-- we live in interesting times and we are legislating in interesting times. We are not living in the normal timeline. What we have seen in our economy in the last 13 months has been remarkable and we need to respond with a remarkable response. This is just one part of it, just one part to restart our workforce, to get our people working again. And on a systemic level, three years of investment for our workforce is something that we-- we can do because we have the federal funds to do it. And it's-- it's an incredible opportunity for us to expand our tax base as we get more people out there who are filling those 61,000 jobs that are open right now and are there to-- to work like Nebraskans like to do. Originally, our fiscal note was somewhat different because we didn't have yet the \$90 million that we got a few weeks ago. So if you look at the original fiscal note, there might be some confusion there. That had some of the money getting to another federal fund, which are TANF funds. But right now, because of that additional \$90 million, we're not going to have to get to that point. So that would change-- that changes a lot of things, is what it does, and it leads us to the point now where we're-- we're taking it straight from the CCDBG funds. If we need to, this body can bring-- bring that subsidy down after three years. I'm confident in that. This

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

is the right thing to do. That's why so many different types of folks are supporting this bill. And it is not intended just to help people out. It's intended to help people out so that they can work because that's how we grow this state. So I would urge your support for both amendments and the underlying bill. Thank you, Mr. President.

HILGERS: Thank you, Senator DeBoer, for your closing. Question before the body is the adoption of AM1057. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: Thirty-- excuse me, 40 ayes, 0 nays on the amendment to the amendment.

HILGERS: AM1057 is adopted. Returning to debate on the committee amendments. Seeing no one in the queue, Senator Arch, you're recognized to close.

ARCH: Thank you, Mr. Speaker. This has been a good discussion. I-- I-- I also reflect on the committee hearing. When the department came in to address the bill as it was originally written, it-- it referenced rainy day TANF funds, approximately \$92 million. The department since has presented a plan for the use of those funds. They objected on the basis that we would be tapping that and there's-- and those dollars are in their plan. And so, as Senator DeBoer said, the-- the-- this-- this discussion evolved, especially with the additional dollars that were passed in-- in the first quarter of this year from Washington, and we felt that this would be an appropriate use for that. So with that, I would encourage your support of AM764.

HILGERS: Thank you, Senator Arch. The question before the body is the adoption of AM764. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 42 ayes, 0 nays on the adoption of committee amendments.

HILGERS: Committee amendments are adopted. Returning to debate on LB485. Seeing no one in the queue, Senator DeBoer, you're recognized to close. Senator DeBoer waives closing. Question before the body is the advancement of LB485 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 31 ayes, 7 nays on the advancement of the bill.

HILGERS: LB485 is advanced. Next bill, Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

CLERK: Mr. President, LB2. It's a bill by Senator Briese. It's a bill for an act relating to property taxes. It changes the valuation of agricultural and horticultural land. It harmonizes provisions and provides an operative date. Introduced on January 7, referred to the Revenue Committee, the bill was advanced to General File. There are committee amendments and there are-- there is an amendment to the committee amendments, I guess, Mr. President.

HILGERS: Thank you, Mr. Clerk. Senator Briese, you're recognized to open on LB2.

BRIESE: Thank you, Mr. President, and good evening, colleagues. I rise to present my priority bill, LB2, which was advanced out of committee as amended on an 8-0 vote. LB2 was originally presented to value ag land at 30 percent of value for repayment of school bonds adopted and approved after the effective date of the act. However, after considerable discussions and negotiations, the Revenue Committee advanced it to General File in an amended form, which includes changes to LB2 and incorporates an amended version of LB79 that Senator Linehan will present and I will discuss in more detail later. Thank you, Mr. President.

HILGERS: Thank you, Senator Briese. As the Clerk noted, there are amendments from-- committee amendments. Senator Linehan, as Chair of the Revenue Committee, you are recognized to open on AM638.

LINEHAN: Thank you. Mr. Speaker. Senator Briese has done a good job of explaining the provisions of LB2. AM638 is the committee amendment that becomes the bill. AM638 was amended into LB2 by a 8-0 vote. It contains the provisions of LB2 and LB79. LB79 was amended into the committee amendment on an 8-0 vote. The committee amendment changes the percentage of agricultural and horticultural valuation to be used for skill-- school bonding purposes to 50 percent of its actual value. As Senator Briese indicated in his opening, LB2 as amended becomes operative on January 1, 2022. Thank you and I'd be happy to answer any questions and I'd appreciate your green vote on both AM638 and LB2.

HILGERS: Thank you, Senator Linehan. Mr. Clerk.

CLERK: Senator Briese, I have FA15, first of all. Did you say withdraw? OK, thank you. Mr. President, Senator Briese would move to amend the committee amendments with AM868.

HILGERS: Senator Briese, you're recognized to open on AM868.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

BRIESE: Thank you, Mr. President. Good evening again. AM868 is an amendment to the committee amendment. AM868 would simply make this bill consistent with what is proposed in the Appropriations Committee budget by raising the statutory minimum in the Property Tax Credit Fund from its current \$275 million to what is currently in the budget, \$313 million. I'll first talk briefly about AM638, the Revenue Committee amendment. AM638 is the result of considerable compromise and accommodation. The goal is to provide additional property tax relief for all Nebraskans. There are two main components: Section 1, which is an amended version of my LB2, which provides for a reduction in ag land valuations for school bonding purposes going forward, and I'll talk about that a little later. And Section 2 is an amended version of my LB79, which gradually increases the Property Tax Credit Fund. I first want to thank the Appropriations Committee and Chairman Stinner for their commitment to the property taxpayers of Nebraska. That commitment is reflected in the budget they put forward, a budget that includes an increase in the Property Tax Credit Fund of \$25 million for '21-22 and \$38 million for '22-23, taking the fund to \$313 million for tax year 2022. When we passed LB1107 last year, we created a refundable income tax credit based on property taxes paid. Under its terms, that fund would max out at \$375 million. I believe it's in 2024. At that point, it would increase at what is termed the allowable growth percentage, which is defined as a percentage that real property increases in value annually in our state. And that rate has historically been about 4 to 4.5 percent. And so that particular fund would increase after 2024 at a rate probably at about 4 to 4.5 percent. But LB1107, we also established a statutory minimum in the Property Tax Credit Fund of \$275 million. However, it was left static with no automatic increase. Now, granted, the gambling dollars are in addition to the 275, but there's no guaranteed increase in the Property Tax Credit Fund. As a result, its effectiveness over time would decrease due to inflationary pressures on property taxes. So my original LB79 would have applied the same growth factor, the allowable growth rate of LB1107, to the Property Tax Credit Fund. But after considerable negotiations with various senators, including Senator Bostar, I brought that growth rate back down to a straight 3 percent. But under the committee amendment-- and that 3 percent is reflected in the committee amendment. But under that committee amendment, the minimum amount in the fund remains at \$275 million, as was established in LB1107. AM868 would simply take this minimum amount in tax year '22 to \$313 million to be consistent with what is presented in the budget. It would codify what the Appropriations Committee has done and what we have adopted in this body. So I would ask for your support in making the statutory total in the Property Tax Credit Fund consistent with what the committee has done. And then if we adopt AM638, that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

statutory total would grow by 3 percent per year, but we can discuss that on AM638. I'd ask for your support and your green vote on AM868. Thank you, Mr. President.

HILGERS: Thank you for your opening, Senator Briese. Debate is now open on AM868. Senator DeBoer, you're recognized.

DeBOER: Thank you, Mr. President. I want to say with respect to the bonding piece that I'm not insensitive to the complaint that Senator Briese and others have made that in rural areas, there are more people who are voting on bonds whose assets are smaller than those with higher taxable assets, so the people in the small towns versus the people in the agricultural producing parts of the school districts. And the ones with the higher assets will pay a greater portion of the bond. If it is not within our principles to give greater votes to those who are going to be more affected by a decision, then how do we protect the minority rights in these sorts of situations? I think Senator Briese's point in this case is to try and say that we need to make the consequences of those votes a little more even in this very limited circumstances, so that the more-- majority's stake is a little closer to the minority's, and I think that makes sense. Now I don't want to make some sweeping generalization and I don't think we should use this as a principle for-- or a precedent for a larger principle. Generally, I tend to be unpersuaded by slippery slope arguments, but I wanted to make it very clear that I don't want this to be a slippery slope. And in this very specific circumstance, I hope general-- Senator Briese will be willing to make this not about anything else, just about bonding and recognizing the special relationship of local control to the bonding question. But what I can't vote for, Senator Briese, is the automatic increase of the Property Tax Credit Fund because that hurts both my farmers and my city dwellers. Last week, we had some discussion of the Property Tax Credit Fund on the mike and it was a little bit imprecise on its description of the distribution mechanism. I didn't want to stand up and belabor the point at the time, but I-- I do think it's relevant today. The property tax credit program, which we sometimes call tier one, doesn't disproportionately just benefit agriculture. It disproportionately benefits all property owners in low-levy districts, residential, commercial, and agricultural, so all people who already pay less than the state average in property taxes, whereas the people who get the least portion of their taxes credited back to them by this fund are those who pay the highest property taxes. And last year we talked about wanting to help first those agricultural producers in high-levy districts. We always use the example of York, but the ag producers in my Bennington school district would also apply. Folks in these types

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

of areas who are ag producers pay the most in property taxes in the whole state. And the Property Tax Credit Fund doesn't give them any more money than the ag producers who pay the lowest property taxes in the whole state, and I'm just not OK with that. I will not divert funds that may be used to support those paying the highest property taxes in the state to give to those paying the least. Over time, I think we should continue to shift to LB1107 funds or something similar for helping people offset their property taxes. And I will not let the folks in my high-levy areas be pushed to the side, I'm sorry. We need to get them property tax relief first. If we have state money that can go to property tax relief, I think my constituents should get an equal proportion of their taxes credited back to them as every other senator in this district's constituents get back. So I will not vote for this automatic increase of the Property Tax Credit Fund. And as long as that is within this bill, I'm sorry, I'm not going to be able to vote for it. There are times when--

HILGERS: One minute.

DeBOER: --I can vote for something which benefits someone else's district but is neutral in effect on mine. But in this case, my people are paying amongst the very highest property taxes in the state and under the Property Tax Credit Fund, we are getting the exact same amount back per \$100 of valuation from the Property Tax Credit Fund as those paying the least. The Property Tax Credit Fund is not fair and it should not grow. Thank you, Mr. President.

HILGERS: Thank you, Senator DeBoer. Senator Lathrop, you're recognized.

LATHROP: Thank you, Mr. President. Colleagues, good afternoon. I am opposed to LB2. I have a problem with the idea that we're going to make separate classes of taxpayers on bonding or anything else. And-- and perhaps I'll talk momentarily on that topic, but I want to talk about the property tax relief fund. So I was involved when we did LB1107. We had a meeting. We talked about this. We-- there were people, many people in this body, whose taxpayers are paying at \$1.05, in some cases even more than that, and they needed property tax relief. And so we established a second tier of property tax relief fund. The first tier of property tax relief fund that Senator Briese would like to now amend basically provides a huge advantage for the ag producer. They pay taxes on 75 percent of the assessed value of their property. They get credit-- they get a credit based upon 120 percent of the value, even though they're paying taxes on 75 percent of it. And those of you in high-levy districts, we are getting a check based upon the assessed value. It is an-- it is a property tax-- I call it

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

the tier one property tax, the original property tax relief fund. It is weighted far more favorable to the ag producer. It's fine. They needed relief and we gave them relief. And by the way, LB1107 dealt with it. We had an agreement, in fact, that we would take the tier one to \$275 million and that they would get the proceeds from gambling. And then we were going to fund the property tax tier-- tier two, I'll call that-- tier two that helps the high-levy districts, those of us that live places like Ralston, Millard, Elkhorn, where you have high property tax districts. I remember being in the meeting. We talked about tier one and Jim Scheer said, well, I got people paying \$1.05 on ag property. What about people paying \$1.05? So we set up the tier two. This is basically-- I don't want to call it a violation of the agreement, but it's certainly different than the understanding we had when we put together the LB1107 bill. And, folks, tier one property tax relief was addressed in LB1107 and we set up the second tier so we could take care of the high-levy districts. This doesn't work. It doesn't work if it's going to grow, as the bill suggests. It can't and have tier two grow at the same time. And eventually we're not going to be able to afford it. This is not a good idea. It is not the agreement we struck last year. It certainly isn't in the spirit of the agreement that we reached last year on LB1107 and I have a significant concern about that as well. As for the bonding, the bonding is a concern to me because we're creating a separate class of taxpayers. At one time, I owned a commercial building in Omaha. When they come pick our trash up, I got to pay a service to come pick up a dumpster and dump it into the-- into the truck and the truck-- we pay that guy every month and he takes care of our trash. But as a taxpayer in Omaha, I'm paying for everybody who's trash-- trash gets picked up for free at the curb. Now should the commercial property owner--

HILGERS: One minute.

LATHROP: --pay as much-- did you say time?

HILGERS: One minute.

LATHROP: Should the commercial property taxpayer pay as much for trash, whatever the city pays for trash at residential areas? We can take this to an absurd place. We cannot sort out taxpayers and say you don't have to pay like everybody else. It's not fair. Its application-- its application in a variety of circumstances would further demonstrate how unfair it is. And frankly-- frankly, that school in town is also educating the ag producers' children, same as everybody else. And when you let the ag producer pay less on the bonding, you're shifting what they're saving onto the people in town,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

and I believe, as a principle, that that is completely unfair. And for those two reasons, I would oppose LB2. Thank you.

HILGERS: Thank you, Senator Lathrop. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. I rise in opposition to LB2 and its amendments. We've already heard from Senator Lathrop and Senator DeBoer about LB1107 from last year and I was vehemently opposed to LB1107 last year. And one of the conversations I had with some of my colleagues was how much the agricultural community needed property tax relief. And-- and it was pushed through. It was, I would say, ramrodded through and very clumsily done and I still to this day would love to undo LB1107, but we are where we are. And I said it's not going to be enough. It's not going to be enough and next session, there's going to be a bill to lower ag valuations and here we are, lowering al-- ag valuations. If we don't like property taxes for funding schools, then let's fund schools fully at the state level and stop quibbling over this. If that's what we don't like, then let's-- I'm here for that. I would fund education 100 percent at the state level. Get rid of the Property Tax Relief Credit Fund, get rid of the property tax other fund-- I can't even keep track of them anymore-- get rid of these bills and take property tax-- or take school, education and fully fund it, 100 percent, at the state level. If counties want to pass a levy to build a school or do something, that's on them. Let's just fund education. But this is not something that I can agree to because until we fund education at the state level, we are putting the burden of funding education on some, not all. This is not an equal-burden approach and this is disproportionately impacting homeowners in my district and business owners in my district and business owners in my city and in my county. And I am always here to help people when I can, whatever I can. But as Senator DeBoer already stated, if it's going to hurt my constituents, that's a line in-- that I can't cross to help your constituents. My constituents need to be held harmless and this does not hold them harmless so I won't be voting for this. And I want to take a moment to remind the citizens of Nebraska, I did mi-- misspeak when I was talking about the Property Tax Credit Fund and filing your income taxes. And what I misspoke was that we did have an extension on filing income taxes. So if you didn't file on April 15, you still have time. I'm not going to say the wrong date this time, but it is in May. And at some point I will find the date and I will share it with this legislative bo-- or on this microphone. But you still have time to file your income taxes for 2020. And when you file your income taxes, if you are a property owner in the state of Nebraska, you need to go to the Department of--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

Nebraska's Department of Revenue Web page and you need to get the tax-- the appropriate tax forms. And I apologize. I don't have them all pulled up right now, and I'm sure I will be able to get them pulled up the next time I'm on the mike, but those income tax forms are what you have to fill out. There's multiple forms that you need to locate online. If you don't have access to the Internet, perhaps you can go to the library. Or as some people here have stated, in towns that don't have broadband, you can go to the school parking lot or the library parking lot or the McDonald's parking lot--

HILGERS: One minute.

M. CAVANAUGH: --unfortunately-- I'm sorry, one minute?

HILGERS: One minute, yes.

M. CAVANAUGH: Thank you-- and you can access the Internet there or I do believe that local post offices still carry the tax forms that you might need. So you can also go to your local post office and see if they have the appropriate tax forms for filing your income taxes in Nebraska. But when you file your income taxes in Nebraska, you are going to want to file for that Property Tax Credit Fund reimbursement. I know it's confusing because you don't pay your property taxes to the state, but the state has decided to give you a tax-- an income tax credit based on your property taxes. And you need to apply-- but you need to proactively apply for it. If you don't apply for it, that money just sits there in that fund and then that fund continues to grow for the people that do apply for it. So I think it's really important for everyone to remember that you want to file for your property tax income tax credit.

HILGERS: Time, Senator.

M. CAVANAUGH: Thank you.

HILGERS: Thank you, Senator Cavanaugh. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President. Good evening, members. I rise to support what Senator Briese is doing here. I support AM868, AM638, and LB2. I'm a new member to the Revenue Committee. And I remember the first bill we heard this session was one of these bills that Senator Briese brought. And when I sat there at my seat, I had to grab the table because of just the anger that was being communicated through property taxpayers on the ag land side across the state. And there's a lot of us that re-- represent both urban and rural areas. I know

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

Norfolk's not a city of the metropolitan class. It's a primary-- it's a first-class city. But I have the best of both worlds, in my opinion. I have a lot of farming and ranching constituents. And it is very, very real what we're dealing with here and something very serious is out of balance. Senator Lathrop brought up some points that I think if you're listening tonight, you're thinking, OK, we're treating different types of taxpayers differently. The reality is our constitution allows us to. You may not know this, but in the Nebraska Constitution, there's a reason we can value ag land at 75 percent of its assessed value and that is because it is specifically allowed in the Constitution of the State. And in this case, we are making yet another election with our statutes to say in purpose-- for purposes of a school bond issue, 50 percent is the number instead of 75 percent. And the reality is that when you talk about my constituents or my constituents in Omaha or my constituents in Lincoln, we have been dealing with these questions in rural Nebraska for a long time as it relates to the state aid formula. When I started in the Legislature, in 2005, Elkhorn Valley Schools got over \$2 million in state aid. That money was helping offset the cost to property taxpayers, the people that own the farms and the ranches and the ag land and the city of Tilden and the city of Meadow Grove. And today that number is just about zero, less some option funding. And so there has been a dramatic change in the last 15 to 20 years. Topple that with unbelievable increases in ag land valuation and we've got ourselves in a jam. And is this a long-term solution to do things like this? Is it a long-term solution to go from 275 to 313 in the property tax fund or to drop ag land from 75 percent to 50 percent in a bond issue situation? No, absolutely not, but we have to find balance before we run people out of business. And it is that serious. It is that serious. There are people that are absolutely trying to make a living in Nebraska's number-one industry that are having trouble making ends meet not because of the weather, which is one of the biggest factors in agriculture, not because of the soil health or the cost of equipment or the cost of labor or technology. It's simply meeting your obligations to the government through-- through our tax system. And so what Senator Briese here is doing is really one of a couple steps we need to take this session. I strongly support what we're doing. It's allowed under the Constitution. We have already made a distinction between one set of taxpayers and another set by saying ag land can be valued differently. We can't do that on commercial. We can't do that on residential. But we can do it on ag and Senator Briese's hit it right on the mark. And I've talked to a lot of folks in agriculture today in Madison County and in Stanton County that are absolutely wanting and, in some fact, praying for this kind of relief. And the other thing I'll say about the property tax fund is that it is not a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

perfect solution. And I'd like to be part of a Legislature that addresses it, maybe part of a ballot issue that-- that addresses it. And it is the most complicated issue. And if it were easy, it'd have been fixed five years ago. But the reality is--

HILGERS: One minute.

FLOOD: --it's not and we need to do things like this to get there. So I want to commend Senator Briese. I want to thank Senator Linehan, the members of the Revenue Committee that saw fit to advance this bill, and I support everything you see on the board tonight. Thank you, Mr. President.

HILGERS: Thank you, Senator Flood. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. I stand in support of LB2 and the amendments. So part of the-- my past six years here and trying to deal with the property tax issue and how we fund schools is the complaint is that you have some of these small schools out there that are 90 percent funded with ag land, whether it's ranchland or cropland. But they're small schools, 90 percent of their funding comes from ag land and residential in those areas has maintained a pretty flat value over the last ten years. There's been very little increase. So when ag land taxes have gone up 180 percent, and I'm talking the taxes not the valuation, ag land taxes have averaged an increase of 180 percent over the last ten years. We look at some of these small schools out there and when they do a bond issue-- and again, this is-- this is one of these things where probably once every 10 to 15 years, maybe every 20 years in some of these small, shrinking school districts that they even do a bond issue, so it's not as though this happens every year. They do a bond issue to either add on a gymnasium or something else. But when you have that vote, when the majority by far of the tax dollars come from the rural countryside, the ag land, it's pretty easy to vote for a tax increase that raises your taxes \$1.50 and raises somebody else's \$100. And that's kind of the dilemma of some of these bond issues, is that you're a minority property owner already and it's pretty easy for the people in town to vote for these increases and it doesn't affect them much. So this sort of levels that playing field. And we've tried lowering the value of ag land. I've had numerous bills trying to get it down to 50, 55 percent. But this is not what I'd call the slippery slope. This is still just dealing with bond issues, which rarely happens. Now, as far as the Property Tax Credit Relief Fund, I mean, I've been a supporter of both of those. But in the end, if we are going to properly fund K-12, it was always my goal, and whenever I wrote any bills, that we would sweep those funds and use them to properly fund K-12. So I still think future Legislatures, and we have

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

one more shot next year, can do that. And if Senator DeBoer gets her commission put in place, I'm sure they could come up with a recommendation on how we could take these dollars and properly distribute them in an even and fair way across the state to help fund K-12 education. We are number 48 in the country in how we fund our K-12. We do a lot better of funding our higher education. But when it comes to K-12, the state has never, never put in what we would call fully funded in our area when we have 160-some school districts that receive little to no state aid. And so we've-- we've-- they-- we've got some opportunities this year with some revenue. And whether or not this is the proper way or some other way is the proper way, I still think we need to fund our schools in a-- in a more equitable fashion than what we're doing right now. We've tried to address TEEOSA-- TEEOSA numerous times in the past six years, but the-- my first two years were the only years when we had any revenue here. And that's where the tier one Property Tax Credit Relief Fund was set up to give ag a little bit more of an advantage. So it was intentionally done. And-- and that one, it-- it's based on valuation and that's why, I agree, some people don't like it.

HILGERS: One minute.

FRIESEN: And it didn't help some of those schools that were in the \$1.05 districts and it-- it went to a different set of schools. But now we've got LB1107, who helps those \$1.05 schools, and that's where the majority of that money goes, so those two, that kind of equal each other out and where they're going. And so I-- I think as a temporary-- I look at these as temporary funds because I hope someday, someone down the road comes up with a TEEOSA formula that's fair and equitable and that these funds at that point could go away. So I'm looking forward to more discussion. I hope everybody looks at the bigger picture and sees how we fund K-12 and how we might go about doing that. Thank you, Mr. President.

HILGERS: Thank you, Senator Friesen. Senator Stinner, you're recognized.

STINNER: Thank you, Mr. President. Members of the Legislature, I want to, first of all, under-- let everybody understand what the Appropriations Committee did. And on page 60-- I think it's 67 if my-- I put my glasses on. It is 67, page 67 in your budget book. It kind of explains some kind of logic associated with our property tax increase. And really, what the logic was about is-- went back to our priorities. Property tax was a priority in the committee. We couldn't add to the Property Tax Relief Fund-- or-- or relief through the income tax because LB1107 was prescriptive. So we did a 2 percent increase in

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

provider rates, another priority of the committee; 2 percent was exactly what we added to this and then looked at what it did in terms of assessed valuations. And so we were trying to bring some kind of parity there, at least in the short term. But here's the kicker to this thing, and this is why I'm totally opposed to this idea. First of all, we added some safeguards in LB1107. Those safeguards are 3.5 percent recognition that we need to have available in order to run our government. After that, a portion would go into the rainy day fund until we build it up to a minimum. A portion then would go to property tax relief until we got to \$375 million after five years. We have an escalator at the end of that that takes it up and ratchets it up based on assessed valuation. We had protections in LB1107. This does not. This is \$10 million, \$10 million, \$10 million on top of each other. You get what compounding looks like? Three percent times 313 is \$9.3 million-- excuse me-- but that 9.3 then goes over to the next year and then 9.3 or 9.5 is added. Then all of a sudden, you've got \$20 million a biennium, then you have \$25 million a biennium that you have to fund. You have to fund it because you passed the law. There are no safeguards. There's no out. And oh, by the way, when we pass gambling, gambling funds come into this as well. Is that-- we're going to add that and then take 3 percent on top of that? You're locking yourself into a compounding situation that, frankly, will crowd out a whole lot of other things. And one of the-- one of the issues that we talked about is funding 3.5 percent. We were talking about fully funding TEEOSA, fully funding all of the requirements that we have for the state. This gives no guarantees. This is reckless, in my estimation. And to use the logic of appropriations to support what they're trying to do, I-- I-- I'm sorry, that's just corrupting our analysis and corrupting our understanding of what we were trying to do in a very short term because we had some extra money, because it was a priority, and it matched a lot of the-- what we were trying to do for providers. We also were trying to bring some money to the floor, \$211 million. We also constrained government spending, 1.6. Check the boxes. This does not check any box. This is an explosion waiting to happen and you better understand that, how that works. There's got to be a better plan than this. This is not something I will ever support. Thank you.

HILGERS: Thank you, Senator Stinner. Senator Hughes, you're recognized.

HUGHES: Thank you, Mr. President. Good afternoon. Good evening, colleagues. It's interesting, when we begin the property tax debate, of the misconception of that if you're in a low-levy district, somehow you're not paying your fair share of taxes. I would remind you that if you are in a low-levy district, that's-- if you're an ag producer, you

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

are paying an extraordinary amount of taxes because there is no one else to get the money from. The ag producers are subsidizing the homeowners in those districts. And I'll remind you that homeowners are paying 100 percent. I pay 100 percent on my farm shop and my bins as commercial property. But we need to remember that just because you have a low levy, doesn't mean you are not supporting your schools to the hilt. My tax bills have not gone down even though I am in a low-levy district. I'm very fortunate that we've got a school board that has done a very good job, a couple of different school districts, actually, that I pay taxes in, that have done a good job and my levies are in the 50-, 60-cent range. But that does not mean that my property tax check is not very large. I'd like to talk a little bit about how we got into this predicament of relying so heavily on property taxes. I've made this speech, I'll guess, a few years before. But for the freshmen who may not have heard this, you know, we're talking about the sesquicentennial of the state. You know, 150-plus years ago when the state was founded, the only thing we had to tax was property. We had no commerce. We had no sales. We had no income tax. That's how we generated income to fund our state, was property tax. Since that time, we have got income taxes to a pretty significant number. We've got sales taxes to a pretty significant number. Why are we still taxing property at such a high rate, because that's the way we've always done it? I'm sorry. That's not a good enough reason. Tell me why a piece of ground that I own, that has no amenities, it's got no improved road, no electric lines, no phone lines, it's 30 miles from the closest ambulance, it's 30 miles from the closest fire department and it produces no children to go to the schools, why is that piece of bare dirt being taxed out of existence to pay for kids to go to school? It's gaining no benefit other than that's the way we have always done it. That's not a good enough reason. Why do I own land? Because I'm protecting my livelihood, the same thing all of you do when you have investments. When you buy stocks and bonds or CDs in the bank, you're protecting your livelihood; you're paying for your retirement. Why are not those stocks and bonds taxed as property like my real estate is? Let's tax the intangibles, then we'll be on an even playing field. But just because this is the way we have always done it is not a good enough reason. Thank you, Mr. President.

HILGERS: Thank you, Senator Hughes. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. Speaker. Good evening. There was mentioned earlier this evening about the spirit of the agreement on LB1107. And I know there's still hard feelings about LB1107, LB1106. We're in this bucket because we can't come to any kind of agreement on school

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

funding. Last year, we tried to correct the inequities between the big schools, the middle schools, the STANCE schools and the NRCSA schools. We had \$513 million on the table that we were going to lower property taxes and increase school funding over three years. No one was going to get hurt. A lot of the smaller schools were going to get significantly more state funding. We've got to come to a realization in the body that we're going to have to solve this. It's not-- the schools aren't going to bring us an answer because, if you go to the Nebraska Coalition of Education, their answer is they need to be given more levying-- levying-- levy authority; in other words, they need more property taxes. So we're going to have to solve it here. And the spirit of the agreement last year was like the last 48 hours of people-- I think Senator-- Chairman Stinner would agree with me, Senator Lathrop. It wasn't always cordial or in good mood and happiness. There was huge frustration. Nobody thought it was perfect, but we had to do something. And I agree with Senator Friesen that we-- we all know-- I think most everybody on the Revenue Committee knows, including Senator Briese, that LB1107 tax credit or the property tax credit, it's not good government. What we're doing is running behind spenders and filling up their bucket. And as long as we're doing that, they will spend more. It's like, have none of you ever had a child that had a credit card that abused it the first year they were in college? You didn't give them a higher credit. You cut up the credit card. We have to get a handle on what's really going on here. What-- why can we spend \$700 million in property tax relief-- and how many people in this body's property taxes went down last year, the check you wrote? How many of you wrote a littler check last year than you wrote the year before, even though we're now-- well, not this year, but next year we'll be over \$700 million? So we all know the answer. The answer is to fix school funding, but we are not of the mindset to do that. So I-- what I think Senator Briese here is trying to do is fix it at the edges. You have schools who are 12 miles down the road from another school. They've both got 150 kids and they're passing \$5, \$6, \$7 million bond issues so when they merge, they'll come to that school. So then what's that other school do? They decide they'll build something. It's out of control, folks. And for my urban friends, if you want to curtail some of the-- what I've been told, not by people here but other friends who are from Omaha, what the problem is, we need to be for what Senator Briese is trying to do here, most importantly on the bonding issue, because when you-- have let's say you have 1,500 people in a school district--

HILGERS: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

LINEHAN: --and 1,000 of them live in the town and they're going to pay a small percentage of whatever they're building and you've got the other 500 people picking up the bill, you're always going to have the majority spending the minority's money. So I'm very much in support of this. It came out of the Revenue Committee 8-0. I think we-- and we're not doing anything that Appropriations Committee didn't already do. If I remember, I thought the language and what they were putting in tier one, if that's what we're going to call it, was what they planned on doing going forward. So all we're doing is putting it in statute, so I don't see why that's a big deal. And again, I think-- I can't speak for everybody on the Revenue Committee, but I think we're-- we would be-- I know we were last year. We're more than happy to go try to do school finance and fix this so it makes sense, but we need some partners. Thank you, Mr. President.

HILGERS: Thank you, Senator Linehan. Senator Briese, you're recognized.

BRIESE: Thank-- thank you, Mr. President, and good evening again. I like the Property Tax Credit Fund. Doesn't get much love in this body. I know, but to me the Property Tax Credit Fund is fair. It's effective, easy to understand. And it's not perfect. Nothing is. But it does go to every Nebraska property owner. And let's face it, someday it is going to get repurposed. Senator Friesen has described, you know, his desire to see that done, and I think that desire is fairly widespread. It's going to get repurposed someday for something better. But I think for now we should be building it up for all Nebraska property tax owners. And Senator Flood hit upon the anger that he perceived at some of the hearings we've been at and I appreciate him bringing that up. And that anger at some of those hearings, it's palpable. And you go out in the district, it's palpable. And someday that anger is going to manifest itself into something we don't like and I think it's imperative that we send a message. And that message is that we understand your plight out there and we're going to do something, do what we can about property taxes. And Senator Machaela Cavanaugh, I couldn't agree with you more when you say-- said the state ought to be picking up the cost of K-12 education. That-- that's the direction I want to be heading also and I appreciate you bringing that up and agree with you there. But I did hear some other comments that I-- I just have to disagree with. You know, somebody mentioned that this, what I'm proposing, is different than what we agreed upon in LB1107. Well, I voted to kick a bill out of Revenue Committee that is different than what was agreed upon in LB1107. It's somebody's priority bill to boot. You know, we going to hold that against that bill when it gets on the floor here? I don't

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

know. We might. Someone talks about the fairness of this. Well, we talked a week or two ago about the fairness of how we support K-12 education in this state at the state level. Is it fair that kids out in some of these rural districts or schools out in some of these rural-- rural districts get virtually nothing per student when the urban districts get an enormous amount per student from the state? And if we want to talk fairness, we can talk about that. And, you know, the same can be said about the benefit to ag. The same fairness argument applies there, that the way we fund K-12 education in this state can hardly be perceived as fair. And somebody back there talked about it's compounding, it's going to compound. Well, so does the other four-- the other fund in LB1107. It's going to compound at probably 4 to 4.5 percent annually based upon the allowable growth rate, I think we call it, in there. And this is proposed to compound at only 3 percent, so it's going to compound at a less rate than what-- what the other fund's going to as per LB1107. And someone suggested this is reckless, but we have to remember that, based on the latest data I have and-- and factoring in the current credits and the amount of the current credits, net of credits, we probably collect over \$950 million more in property taxes in this state than we do state, local, and motor vehicle sales taxes and over \$800 million more in property taxes than we do in corporate and individual income taxes combined and I think it's reckless to allow that to happen. It's extremely reckless. Our unreasonable, unsustainable overreliance on property taxes to fund local government is hampering economic growth in our state and we have to do something about it and this is an effort to do something about it. I would ask you for your support on AM868. Thank you, Mr. President.

HILGERS: Thank you, Senator Briese. Senator Dorn, you're recognized.

DORN: Thank you, Mr. Speaker. Thanks for the conversation today. I-- I think a lot of us thought when LB2 would come up, that we would get quite some conversations. Some of the-- some of them are similar to what we have had in the past about property tax relief. But any time we seem to stand up here and talk about property tax relief on this floor, it does create a strong discussion from people on both sides of the aisle. Part of what we've never been able to do as a legislative body, at least two years I've been here and before, is come up with a-- I call it an overall solution. We continue to put a lot of so-called Band-Aids or we make some adjustments here or some funding there or we do certain things here or there. It really has not solved our property tax situation in the state of Nebraska. We as a legislative body haven't been able to, I call it, bear down and get enough wherewithal, enough, I don't know, leadership, enough things to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

come to a solution. You could give different reasons why or why not. There's a lot of things play into the property tax relief situation. Number one is schools that is their main source of funding. The Legislature of the State of Nebraska, we don't collect any property taxes. We collect sales tax and income tax. So right away you have what I call a-- a-- a little bit out of balance thing, because when our sales tax, our income tax, that's based on-- somewhat on the profitability of companies and people, when they are strong, the state of Nebraska has stronger revenues. And then our budget, like this year we have the stimulus funding, then our budget, we feel like we have, I call it, a little bit more money to spend. Schools, cities, counties that rely on property taxes, they don't have that when people are do good-- doing good, that it automatically kind of increases their pot that they might have at the end of the year. They are regulated or they are-- because of the funding source, they now have to go back and rely on property taxes or, in the situation of schools, on state aid, which we say we fully fund, but the last few years it's kind of stayed steady. That's all part of their picture, so we're trying to fund different apparatuses in different ways and-- and trying to make it work. And when it gets too high on one hand, we put a little Band-Aid on the other end and we give you a property tax credit relief or we give you property tax income relief. And most people, when you talk to them, have a very hard time correlating that back to property tax relief. They still pay that check. They pay that check to the Treasurer and their funds are going out in that respect. We, in the last couple, three years here, have, well, once the Property Tax Credit Fund came into being and now LB1107, we've given them next year somewhere in the 15 to 20 percent property tax relief. That's what that amount to. And yet we as a body, we realize that as we sit there and watch what's playing out over time, that is not solving the situation of what the last 40 years has gotten us into. I don't have a solution. I wish I did. I wish somebody would come up with--

HILGERS: One minute.

DORN: --a solution. Do you say one minute? There are so many things that play into this, not just my property taxes are high or my valuations are high. You have the school districts, some that are very good at spending money wisely, some that, I call it, maybe overspend. We're going to have more discussion later on here in this session and on this floor, but there's a big picture of a lot of things involved. As we get some relief on certain things, we don't want to give those back up. School funding, they don't want to give TEEOSA up when you talk to people. Now we have some other things. Someday we hopefully

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

will be able to come to a solution that will be workable and that a good share of this body can agree on. Thank you.

HILGERS: Thank you, Senator Dorn. Senator Murman, you're recognized.

MURMAN: Thank you, Mr. Speaker. I rise in support of LB2 and strongly support it; in fact, I cosponsored it. That's how strongly I feel about it. I've heard from many constituents in District 38 and all across the sta-- the state who strongly support LB2 as amended. Agriculture landowners reflect a small part of the voter base, even in rural school districts, but often are obligated to pay a much larger share of the taxes used to pay school bond debt. LB2 would provide some relief to agriculture landowners. It will attempt to put more financial responsibility for bond repayment on the broader voter base. I want to emphasize that ag land not only is an investment for ag producers, but also it is their means of production. They need that land, rather-- whether they own the land or rent the land and they'll pay property taxes on it, whether they own it or rent it. If they don't own it, they'll pay their taxes through the rent. Farmers do have to compete with ag producers all across the country. And the latest figures I've seen, Nebraska and California are like 30-some percent ahead of the rest of the nation in what they-- what an individual farmer pays in property taxes, so that's just one indication of how our property taxes in this state are completely out of balance. And I want to emphasize that ag producers do pay residential and commercial taxes also. They-- they do pay on their-- their houses in the country just as the city or town dwellers do pay their-- on their residential property in the city. And as was mentioned before, if you have a shop or-- most-- most farmers have a shop or have livestock buildings. They do pay commercial taxes on those buildings, just as everyone else does. And then as far as the schools go, it's been mentioned also that rural students receive very little, if any, state aid and the urban districts do receive almost all of the state aid that we do put out in this state. And I agree with Senator Cavanaugh, and-- and as Senator Briese also mentioned, that I would wholeheartedly support funding-- full funding of our public schools from the state level and because at least the taxes that are collected at the state level are based somewhat on-- on the ability to pay, whereas property taxes are not based at all on the ability to pay. All-- they are only based on the property that you own, that the producer owns to make a living. And then when you compare schools to-- in urban areas to the rural areas, in the urban districts, the schools do have many more not only academic programs but--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

HUGHES: One minute.

MURMAN: Thank you-- also athletic programs that far exceed what is found in most-- most-- rural school districts. So until we can find a more fair and better way to fund K-12 education, we need to do the best we can to correct it around the edges. And I do feel LB2 and the amendments do a good job of-- of at least correcting the problem around the edges. Thank you, Mr. President.

HUGHES: Thank you, Senator Murman. Senator Wishart, you're recognized.

WISHART: Thank you, Mr. President. I rise in strong opposition to AM868 and AM638. And, you know, I don't necessarily-- I could be convinced on LB2, but here are my concerns with the two amendments that we are currently looking at right now. First of all, AM868, my understanding is that this sets the first tier of the property tax credit at \$313 million when our body, and I was part of some of these discussions, made a commitment and a compromise and a deal to set a cap at \$27-- \$275 million just last year. And I was part of the senators that originally was concerned at setting caps. I don't think it is smart financially for us as a Legislature to cap, to set certain expectations with funds that leave us unable to have the flexibility to address future budgets. So that's why I am against AM868. And I want to be really clear here. We all came in the last part of session last year, under a lot of stress, and we made a significant compromise. And that included an expectation that moving forward, we were going to stick with LB1107 and this specifically changes that compromise. Secondly, AM638 is financially reckless. When we had a budget briefing by Chairman Stinner and a question was asked, how did we as a legislative body manage as a state so well during such a rollercoaster of a five years of budget? And one of the reasons is that we have been very, very careful at managing our budget growth in all aspects of the budget and that includes this fund, all aspects of the budget. And we do that so that in bad times, we can pull down on our rainy day fund and in good times, we're able to put money in our savings account. That's just smart budgeting. That's what I do, living on a pretty small salary as a senator, which I know a lot of you feel. I don't spend beyond my means. I save and that's what we've been doing as a legislative body, And what this does is this sets us up to be growing at an absolutely unsustainable rate in that fund, regardless of where we are financially, regardless of that. And if all of you here who care about expanding TEEOSA and really reforming TEEOSA so that it impacts rural communities in ways that are long term and really impactful, what we're doing is setting ourselves up for continual fail-- failure in that aspect because we will not afford it.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

So, colleagues, I ask you, please vote against AM868 and AM638 and give LB2 a fighting chance, give-- give Chairman Briese a chance to articulate to us why this bill that is specific to agricultural needs, and Ch-- and Chairman Linehan-- Chairwoman Linehan, why this bill that LB2, which is specific to agricultural needs in terms of bonding, should deserve to pass. But the other two bills, as an Appropriations Committee and somebody who has spent a lot of time mentoring under what I would say is one of the best Appropriations Committee Chair members we've ever had-- Chairman we've ever had--

HILGERS: One minute.

WISHART: --you need to listen to him and we need to realize that what we're about to do, we are going to be regretting for many years to come. Thank you.

HUGHES: Thank you, Senator Wishart. Senator Lathrop, you're recognized.

LATHROP: Thank you, Mr. President, colleagues. I appreciate the remarks of Senator Flood who said he is-- serves on the Revenue Committee and there were an awful lot of people from rural parts of the state, ag producers who came in very, very strongly wanting additional property tax relief. And sometimes I think this body has the misconception that urban people are concerned about income taxes and-- and only rural people are worried about property taxes. I want to tell you that that's not the case. One of the things that was appealing to me about LB1107 is we were going to cap, stop the first tier of property tax relief and start helping out the people in the high-levy districts. That would include Ralston and the Millard school districts. I have to tell you that when I campaigned, I did a lot of door knocking. I went door to door a lot, especially this last time around. I did a lot of it myself and I did a lot of it during the week. The first time around, I did a lot of weekend door knocking. This-- this time around, I spent a lot of time knocking doors during the week and I talked to a lot of people who were retired and people who were close to retirement and they talk about property taxes. I'll tell you, I only had one person-- one person in my district this last election cycle talk to me about income taxes, one person. Every other person that I talked to in my district going door to door was talking about property taxes. I want to tell you about one guy I met knocking doors. He lives in a-- a-- a working-class neighborhood in the Ralston school district. I knocked on his door and he could not get out of his chair. It was a nice day. The-- his storm door was open and there was just that screen. So he said, come on in. He didn't even know who I was. He said, come on in. And I told him who I was and that I was

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

running for the Legislature and so forth. And he said, well, come on up here, I want to talk to you. This guy's a-- he was a widower and his kids had moved out, but he was in the home he raised his family in. And he says, Lathrop, I'm going to tell you something, that if they raise property taxes on me one more time, one more time, I'm going to have to leave the home I raised my family in. This is my family home and I'm going to have to leave it. This is not just an ag producer issue. It's an urban issue. And when we came up with a compromise on LB1107, we basically said tier one is capped at 275 and you'll get whatever the proceeds are from gambling. But now we got to start taking care of a more equitable distribution. By the way, ag people will get money out of tier two. They just won't get the advantage they get in tier one. But the people in my district need some relief. Don't think you're the only people listening to folks talk about property tax relief. They're paying \$1.05. This weekend I-- I was in Denver and I met a lady. It's actually Karen's aunt, lives in a home in Denver. Now it's not going to be as much home as you'd get in Omaha, but her valuation was the same as mine. She said, I'm paying \$1,500 a year for property taxes. I'm paying like almost \$10,000 for a home. It doesn't produce anything. By the way, it's not producing children either. It's a home and the commercial businesses are paying that too.

HUGHES: One minute.

LATHROP: We-- we set up the second tier of property tax relief and that's where-- that's where our resources should go if we want to continue down the trail of Band-Aids. And I can tell you my perspective is we put all this money into the property tax relief funds and we don't have the resources to solve state aid to education. We'll never get to it because we've committed the money to these property tax relief funds and we can't get to the-- to solving a problem. I appreciate the concern Senator Briesse brought to us, the concern Senator Flood expressed, and the concern of my colleagues who live in rural Nebraska. I get it. We got a problem in urban areas too. We're paying an awful lot. And that's-- do we get some state aid? Yes, it's sales and income tax, which is primarily generated in the same areas where the relief goes.

HUGHES: Time, Senator.

LATHROP: Thank you.

HUGHES: Thank you, Senator Lathrop. Senator Vargas, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

VARGAS: Thank you, President and seatmate. OK, everybody, I want to speak on this a little bit from a different-- different perspective. So the first is I am against the underlying amendment and I'll explain why. And I don't think it's a simple-- and we probably come from different places on this. So I've been a member of Appropriations and I have a firm belief that it's important when we can make decisions as-- as grounded as possible in data that helps pre-- make predictive-- predictive analytics, helps us make better decisions. The hard part about this is that this isn't about making a better decision that's necessarily best for the state in this time. It's making a decision without having the information, the data on the current state of affairs for the state. That's the hardest part that I have with this. I understand Senator Briese's intent, and I-- I do because we've been debating, even last year with the compromise, better policy that helps improve outcomes and tries to bring better property tax relief. I think that's one of the reasons why, and I wasn't part of this negotiate-- I wasn't a part of thi,. But when we ended up passing, you know, LB1107, one of the things that at least got me on board was that we would be providing property tax relief when there is a trigger in the positive, when we have net revenue in-- in a good way. I wasn't completely on board with just doing it without something that triggered it and it-- that was better than not having anything. And the reason is because we don't have sound enough fiscal policy to ensure that our rainy day fund and that the coffers of the state of Nebraska are as healthy as they can be. So for those of you that have served on the Legislative Planning Committee the last several years-- I've chaired it the last couple of years. There was a report that we did where the Volcker Alliance came and-- and did an analysis of our savings. So historically, our rainy day fund has increased, but it has been extremely volatile. We have an extremely volatile rainy day fund and this is preceding Senator Stinner. During his tenure, we've increased it. But different leadership has different priorities, different leadership have different priorities, and over the last several decades, since 2003, our rainy day fund has oscillated from \$142 million as far down as \$59 million back to \$576 million, \$313 million, \$731 million, back down to \$332 million, now back up to \$700 millions. And it's oscillating and the reason is there are different times we have to dip into it. We need sounder, stronger fiscal policy in statute that better protects our budget and better protects the state. We don't have that in place right now. According to the Volcker Alliance, we're actually-- and this is an analysis of our rainy day reserve fund policies. Outside of strong leadership from Senator Stinner, our policies aren't as strong, which put us at a C. In the Midwest, we are-- outside of Kansas, Kansas and ours are the only ones in the Midwest that have a C or a D. Everyone else has an A or a B.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

They have sounder policies that ensure that they're better protecting the rainy day fund and savings because we have volatility that exists in this world and we have had volatile times. We need to look at stricter rules regarding fund withdrawals. We need to look at policies that-- that are looking at our funding and replenishment. And we also need to make sure that we're considering revenue volatility and reserve policies or statutory policies that do that. If we had those in place, I guarantee you, at least I speak for myself, I would be in a better place to look at this amendment in-- in a more pragmatic way where it's reasonable. But in isolation, where we do not have policies and instead we have relied on leadership and the committee to make--

HUGHES: One minute.

VARGAS: --those informed decisions, we don't have something to fall back on. We don't have the policies in place to better-- to make sure we have a strong rainy day fund and savings and because of that, it doesn't create the right atmosphere for passing something like this right now. That is just the most prudent and pragmatic way I can think about it. They-- if we did this, then maybe we can then go down this route. I-- I would say that if, and if we pass something like this, maybe it's something we can talk about, then it would be better because then we're both shoring up our savings and making sure that we're-- we're guarding ourselves against extremely volatile times. But-- but we have to do a better time-- better analysis of volatility. We have some reporting. We passed a bill, the PLAN Act. That was my bill from a couple of years ago that the Executive Board passed. But we have to do a better job of anticipating volatility and having tools in place. This would undermine some of those tools that we should be looking at. That's why--

HUGHES: Time, Senator.

VARGAS: --I don't think it's the most sou-- sound thing. Thank you very much.

HUGHES: Thank you, Senator Vargas. Senator Wayne, you're recognized.

WAYNE: Thank you, Mr. President. I haven't really talked all day and I'm just going to address actually some of what Mr. President said, which is unfair because he can't respond, but first let me say local elections matter and property tax are a local issue. The piece of dirt that doesn't have a telephone line or wireless is there because although we spend \$500 million in tax breaks and giveaways and direct funding, telecom has failed to deliver to rural Nebraska. The dirt road you spoke of, Senator Hughes, is maintained by the county and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

that's a taxing authority in which that county help maintains and helps remove snow and helps do things and that and they have a tax. That school district those kids go to have a taxing authority. That volunteer firefighting department has taxing authority. That irrigation district that keeps your dirt irrigated has taxing authority. That ESU that helps with our school system has taxing authority. Many counties, our ag society has taxing authority. And lastly, our community colleges have taxing authority. What bothers me-- and I told Senator Briese I would support the original bonding bill. What bothers me about this property tax conversation we keep having is we know that we continue to put Band-Aids on this and we're not addressing the real issue. I just named off seven different taxing authorities that are in rural Nebraska, but yet the state is picking up their tab. Now education, Senator Friesen, Senator Linehan, many of them know I'm all about fully funding education and making sure, no matter where a kid lives, the state provides equitable funding. My problem is this bill-- I don't mean this in a personal way. This is the body. For the last four years, we've sat on our hands. We've had some bills like LB1106 and other things that come out and we just want to kill them on the floor or kill them in committee instead of real-- have a real conversation. But structurally nothing is changing. Nothing at all is changing because we are scared to do it. Now in my office-- there is an old song by Snoop Doggy Dogg and Ice Cube, and it was, if you're scared, go to church. And so that's kind of always resonated with me. It's like you knew what you signed up for when you came down here. If you're scared about getting reelected or you're scared about what your constituents say, go pray on it. And when you're done, it's time to get work done. And that's how I-- kind of how I live my life. But this body has never picked up the mantle and decided we're going to fix structurally the problem with property taxes. So if-- Senator Briese, if you left just the bonding, I'll get there. I'm not 100 percent for it but whatever. But here's the last thing I'm going to bring up. Last year during the property tax debate, Senator Pansing Brooks asked many people on the floor if they were going to bring a bill last year as a part of this compromise. I can tell you that Senator Briese, Senator Friesen, Senator Erdman-- Erdman actually gave a pretty long answer where he wiggled out and said he's going to bring one because he's always brought his consumption tax bill and I figured you-- you weren't going to commit to that. But Senator Briese and Senator Friesen were adamant that this is a substantial relief, we are not going to bring a property tax. And I can tell you it's on page 120 of 170 on August 8. I can read it, but I'm not going to embarrass people by doing it.

HUGHES: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

WAYNE: Multiple people came up here and there was direct questions about bringing a bill back and many of you said you wouldn't. Now my problem is the deal should never have been made in the first place. And that's why you don't negotiate against property taxes because rural is never going to be satisfied, just like I'm never going to be satisfied in making up the years of oppression that happened from the government in north Omaha. You can't negotiate that because I'm always going to come back and ask for more. That's just how it is. So the deal should have never been made, so shame on the people who voted for it and said they made a deal and you actually thought what was going to happen is there was going to be no deal coming back. Who didn't see that happening? Blind people could have saw that one coming because property tax has been an issue before I got down here and will always be an issue because that's the one tax most farmers pay.

HUGHES: Time, Senator. Thank you, Senator Wayne. Senator Albrecht, you're recognized.

ALBRECHT: Thank you, President Hughes. And I'll continue on with the saga that we just heard because I was not asked that question last year when LB1106 and LB1107 were being-- being debated, if you will. It is never enough if you've paid 238 percent more in taxes than you should have had to over the last 10 to 15 years. Why do you think people voted for gambling? Seventy percent of the people in the state of Nebraska said yes to gaming because they're betting on the come that they're going to get property tax relief? I'm sure hoping that happens, but I'll-- I'll wait and see. But the thing about it is last year, when-- when we left this-- this Chamber, I left \$12 million for District 17 on the table because we couldn't negotiate that into LB1107. So did we-- did we advance the bill? Yes, we did, because we felt like that was the thing to do for Nebraska. But it will never be enough, whether it's for an ag producer, a commercial person, or a residential taxpayer. It's never going to work for us in the long run. The only reason everybody got excited last year is because look at the-- the numbers in Elkhorn. I mean, everybody just stood at attention when they got their tax bill because it wasn't what they were used to. Well, welcome to our world. But we do have a lot at stake. I've brought a bill this year to make certain that everything goes to the vote of the people because when the ag producer ends up paying more of the bill when the schools decide to build, we are in a minority. When you have 800 people in town that get a vote and there's only, you know, maybe 100 of us, it doesn't work. It's not fair. This bill will be an important first step in addressing the long-standing concerns of many ag loan-- ag landowners in this state. Land is fundamental, but also critical to the part of any family farm or

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

ranch. In rural areas, ag land makes up the largest portion of the tax base and it would-- when it comes to the rural schools, the bond elections, ag landowners are the ones that are often in the minority. They vote in school districts but yet they have a disproportionately larger responsibility for paying the taxes used to service the school bond debt. LB2 certainly is recognizing the inequity of these situations by making sure that more voters have a greater financial responsibility at stake when it comes to the decisions of the school bonds. I implore you to vote for LB2, AM638, and AM868. Thank you, President Hughes.

HUGHES: Thank you, Senator Albrecht. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President. I was going to put my light on and speak earlier, but I'm really glad that I didn't because I have heard, at least 20 times, people say we need a real solution, this is a Band-Aid, we're putting a-- a-- a Band-Aid on a gunshot wound. They've talked about how difficult property taxes are, we need a solution, I wish somebody had a bold idea. Well, let me tell you something. I do. It's called a consumption tax. And some of you sitting here will say, as maybe Senator Moser has commented in time, if you want something outside the box, wait a little while, Erdman will bring it. So in '17, I had started a petition drive to lower your property tax by 30 percent, then again, in '19, we had a petition drive to lower your property tax by 35 percent. Neither one of those-- neither one of those were the solution. But I'm here to inform you tonight that the consumption tax is the solution. Senator Lathrop, it solves the problem for your widower who can't afford to pay his property tax and stay living in the home that he raised his kids in. It solves the problem for those people on the low-income level that make \$12,700. It solves the problem for the family of four that makes \$26,000-- that makes \$64,000 because they don't pay any tax at all till they get past \$26,200. It is the answer. And, Senator Wayne, I never made a commitment that I wouldn't bring property tax relief because, you see, when I came here in '17, that was my goal and that hasn't changed. And I've been looking for a real solution ever since I came and as you know, I am now convinced that this is the solution. As I work with Art Laffer and Associates, Stephen Moore, started a conversation with Dr. Ernie Goss from Creighton on the consumption tax. The longer and the more I get into it, the more I understand it is the answer. It's the answer to solve your property tax issues in the urban area. It's the answer to solve your property tax issues in the rural area. And the other issues that you haven't spoken about that are just as serious is the income tax on corporations, corporate income tax, as well as

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

individual income tax. We have a broken tax system. Our tax system was put in place in 1967 and we continue to function under that same broken tax system because we don't have the intestinal fortitude to make a change. And so when that consumption tax comes to the floor, you're going to have a chance to talk about it. You're going to have a chance to get your questions answered as best I know how. And I will present it to you in such a way that you will understand the significance of what the property tax is going to mean to those of you that have a burden of too much property tax, too much income tax and inheritance tax. And I want to tell you this. With the consumption tax, one can never be overtaxed. And, Senator Cavanaugh, May 17, when you pay your taxes this year, when your taxes are due, if you don't pay out of your paycheck, you're going to have to write a check. And sometimes when I was in agriculture, I didn't have the money to write the check. And so I really appreciated this afternoon, every time somebody stood up, they said property tax is the issue, we need to find a real solution, what is the solution, I wish somebody would bring that. Well, I'm here to inform you that somebody is going to bring that. And so next week, or whenever the Speaker decides to bring it to the floor--and I will just say this. I appreciate the Revenue Committee have the intestinal fortitude to think outside the box and bring a bill to the floor of the Legislature that will actually revolutionize the state of Nebraska like no other bill that has ever been introduced. That is plain and simple. And you may sound-- you may think that sounds arrogant. I'm telling you the truth. It is what I say it is and you will be able to see that. Thank you.

HUGHES: Thank you, Senator Erdman. Senator Moser, you're recognized.

MOSER: Thank you, Mr. President. Good evening, colleagues. Almost 7:00 and we're still working away here, but I'm starting to get my second wind. We've had a discussion of property taxes and how they relate to the state budget, but I don't think people realize how enormous the property tax amount is. It's roughly \$5 billion. So it's just about-- but that's all the taxing entities. That's counties, schools, NRDs, ESUs, fire departments, cities, all those added up together. But the school portion is about 60 percent of that, so six times five is three, so about \$3 billion we would have to increase our aid to schools in order to replace all the property tax that all the schools collect, just roughly, and fully fund schools so they don't have to charge property tax. That would reduce local property taxes by-- well, 60-- 60 percent of it is schools, so it'd go down by 60 percent. The problem is we don't have that kind of money in our budget. Our whole budget is \$5 billion, the-- the discretionary portion. If you add in the other federal pass-throughs, it's about \$10 billion. Of the \$5

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 20, 2021

billion that we spend, about 35 percent of that goes to HHS, Health and Human Services, all the different social programs, so about a third of it is destined for that. And to expect farm district senators to give up on property tax is just not realistic, just like I don't think that the people who have a passion for more benefits for their constituents are going to give up on their-- their quest for more money for their constituents. We had a bill a few days ago to increase the eligibility for SNAP. We had a bill earlier today that increased the-- the amount that you can make and still get childcare. And so, you know, we're not going to-- zebra's not going to change its stripes. My constituents are driven by property taxes. They're furious about them. And so you can expect rural senators to be motivated, like I am, to do something about property taxes. It might take something bold and crazy. And if that's what Senator Erdman's got, you know, I'd say let's talk about it. Looking at the consumption tax, I kind of added up what I'd pay under the consumption tax and it's not as much as I-- I pay now. And so I'm kind of wondering who's going to pay that other tax that-- that I'm not paying. But it's worth-- it's worth looking at. I appreciate Senator Briese, Senator Friesen, Senator Linehan, the senators who keep bringing these property tax bills. They get a lot of grief. They get a lot of negative feedback. But there's-- it's not reasonable to expect agriculture to educate everybody's kids when they don't have kids, probably, even in the school. You know, we need a different way to pay for education and so I'm all for the discussion. Thank you.

HUGHES: Thank you. Senator Moser. Mr. Clerk, for items.

CLERK: Mr. President, Enrollment and Review reports LB271A, LB57, LB275, LB275A, LB355, LB261 to Select File with E&R amendments. Senator Walz, an amendment to be printed to LB408. Senator Pansing Brooks would like to add her name to LB147. Senator Williams would move to adjourn the body until Wednesday, April 21, at 9:00 a.m.

HUGHES: Colleagues, you've all heard the motion. All those in favor say aye. All opposed, nay. We are adjourned.